



## TERMS AND CONDITIONS

Upon the completion and signing of the Alarm Monitoring Service Agreement (the "Agreement") of which these terms and conditions are an integral part, the parties thereto agree as follows:

1. Subscriber and the installer have entered into a written agreement for the installation, service and monitoring of an alarm service at subscribers premises (hereinafter referred to as the Subscriber Agreement). The Installer Central Signal Monitoring (hereinafter referred to as "CSM") as Installers Agent to monitor the alarm system for the Subscriber. CSM is not a party to the Subscriber Agreement and is not bound by any of the terms thereof. CSM and the Installer have entered into a separate agreement authorizing monitoring services for the Subscriber by CSM (hereinafter referred to as the "Installer Agreement").

2. CSM shall make every reasonable effort to respond to signals received by CSM from the alarm equipment installed at Subscribers premises. Upon receipt of a signal indicating that an alarm condition exists, CSM shall make every reasonable effort to notify the authorities designated by Subscriber on the Agreement, at the telephone number so designated, it being in CSM's absolute discretion to determine which authorities are appropriate depending on the alarm condition and will also notify such other persons as the Subscriber has specifically requested receive notification, of such alarm condition. All notification by CSM shall be by telephonic communication. CSM shall have no responsibility for the failure, neglect or refusal of any authority so notified to respond to the alarm condition nor for any mistakes or errors made by the Subscriber in the names or telephone numbers designated as authorities or persons to be notified by CSM. CSM shall not be required to give notification of an alarm signal if it has reasonable grounds to believe that an emergency condition does not exist. CSM shall have the authority to give notification of an alarm condition to persons and authorities not designated by Subscriber if CSM, in its reasonable judgement, believes it prudent to do so.

3. Subscriber acknowledges that signals which are transmitted by radio or over telephone lines are wholly beyond the control of CSM and are maintained and serviced by the telephone or utility company, and, therefore, CSM shall not be liable or responsible for telephone line or radio failure which prevents signals from reaching CSM or the failure of anyone whom CSM attempts to notify of an alarm condition to respond to CSM's attempted telephonic communication.

4. Subscriber has furnished CSM, on the face of this Agreement, with a written list of names and telephone numbers of those persons Subscriber wishes CSM to notify of alarm signals. All changes and provisions shall be supplied to CSM in writing, signed by Installer or Subscriber and shall become effective only when actually received by CSM.

5. Subscriber acknowledges that Installer is an independent contractor with whom CSM has no relationship except as in this Agreement set forth. None of the equipment installed at Subscribers premises is the property of CSM, except for such equipment as may have been leased by CSM to Installer nor has CSM approved or disapproved thereof, and CSM has made no representations, warranties, or agreements regarding the equipment, nor has CSM participated in the design or installation of the alarm equipment. CSM has no responsibility for the condition or operation of the alarm system or the alarm equipment and CSM is not responsible for the maintenance, service or repair of said alarm system or equipment. CSM shall not be liable or responsible for equipment failure which prevents signals from reaching CSM.

6. Subscriber acknowledges that CSM is being paid for its monitoring service by the Installer and not by the Subscriber. In the event CSM does not receive payment for its services from Installer under the Installer Agreement or in the event of any other action on the part of the Installer entitling CSM to terminate the Installer Agreement. CSM shall have the right to terminate this Agreement, and to discontinue monitoring Subscribers alarm system on a date fixed in a written termination notice, not less than fifteen (15) days from the date notice is so sent. Upon the date so fixed services shall terminate and CSM shall have no further responsibility thereafter to perform monitoring services under this Agreement. Notwithstanding the foregoing, Subscriber may, prior to the expiration date, request CSM to suggest or propose an alternate Installer which CSM shall use its best efforts to do, and CSM agrees that if Subscriber and the proposed or suggested Installer enter into a Subscriber Agreement, CSM will enter into a new monitoring Agreement and commence performing services thereunder. CSM notification to Subscriber of termination shall be prima facie proof of its right to do so under the Installer Agreement.

CSM shall also be permitted to terminate this Agreement at any time and for any reason by giving Subscriber and Installer at least fifteen (15) days written notice of its intention to do so, such time to be calculated from the date notice is sent. In the event CSM terminates this Agreement for any reason other than non-payment by the Installer, CSM agrees to set off against payments owed by Installer to CSM, or to refund the Installer, monitoring fees received by CSM, if any, for a period subsequent to the termination of CSM's monitoring services.

Upon termination of this Agreement by CSM's notification, all parties to this Agreement agree to and hereby do release each other from any and all liability whatsoever under this Agreement, including negligence of the parties arising out of this Agreement, the relation of the parties, or CSM's monitoring services, but such termination shall not effect the obligation of the Installer for any monies unpaid to CSM.

CSM's notice of termination shall be given in writing and sent by regular first class mail to Subscriber and Installer.

7. If for any reason, including CSM's equipment failure, CSM is unable to provide its monitoring service, CSM, in its sole discretion, shall be permitted to suspend its monitoring services at any time, and without notice to Subscriber and/or Installer. In the event CSM in its sole discretion determines that it will not be able to resume its monitoring services within the next succeeding full business day, CSM agrees to notify Subscriber and Installer by telephone and in writing that monitoring services have been suspended. There shall be no refund, offset or deduction in CSM's monitoring fees for suspended service provided suspended service does not exceed ten (10) days. CSM will make a pro rata refund or set-off to Installer for any period of suspension of services in excess of ten (10) days.

8. A. In the event the Installer Agreement is terminated by either of the parties thereto, this Agreement and CSM's monitoring services shall automatically terminate. Written notice that the Subscriber Agreement has terminated, or that any other agreement between Subscriber and Installer has terminated, when received by CSM from Subscriber or Installer, shall entitle CSM to terminate its monitoring services and such services shall only be resumed when and if CSM receives written notice from Subscriber and Installer that monitoring services are to be resumed, provided Installer shall not be in default in making payment to CSM for services to be performed for such Subscriber.

B. In the event the obligation of CSM to provide monitoring services shall terminate for any reason, CSM or its designated agent shall have the right to enter the premises of the Subscriber for the purpose of (i) retrieving any equipment on the premises of the Subscriber which CSM may have leased to the Installer and (ii) retrieving or disabling the component of the transmitting device on the Subscribers premises which transmit alarm signals to CSM. Subscribers failure or refusal to permit CSM to do the foregoing shall make Subscriber liable for all loss or damage to CSM may sustain including, but not limited to, CSM's liability to assign to another user of CSM's alarm monitoring services the number or designation therefore assigned to the Subscriber.

9. Subscriber and Installer agree that the Subscription Agreement shall provide for monitoring Subscribers alarm for a minimum period of one (1) year and on an annual basis thereafter. Subsequent to such one (1) year period, however, any party to this agreement may terminate this Agreement by giving the other parties thirty (30) days written notice. In the event of such termination by Subscriber or Installer, CSM shall not be obligated to refund to Installer any prepayment received by CSM for the monitoring service.

10. Subscriber and Installer agree that CSM is not insurer and no insurance coverage is offered herein. Payments to CSM are solely for monitoring an alarm system designated by Installer to reduce certain risks of loss, and CSM makes no representation that the alarm system will reduce such risks or that no loss will occur. Subscriber and Installer acknowledge that the alarm system and CSM's monitoring services are not designed to or guaranteed to prevent the losses hereinafter referred to and CSM shall therefore have no liability to Subscriber or Installer for any loss or damage sustained by either of them as a result of burglary, hold-up, fire, equipment failure, failure of CSM or municipal authority to respond to signals, (such instances are by way of example and not limitation), or any other cause whatsoever, regardless of whether or not such loss or damage was caused by or contributed to by CSM's negligent performance or failure to perform any obligation under this agreement. CSM DOES NOT MAKE ANY REPRESENTATION OR WARRANTY OF ANY KIND OR ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS THAT THE SERVICES PERFORMED BY IT WILL IN ALL CASES PROVIDE THE PROTECTION FOR WHICH IT IS INTENDED.

11. If, notwithstanding the terms of this agreement there should arise any liability on the part of CSM, such liability shall be limited to an amount equal to one-half the annual service charge paid by Installer to CSM for monitoring Subscribers alarm system at the time liability is fixed, or \$250.00, whichever is greater. If Subscriber wishes to increase CSM's maximum liability, Subscriber may, as a matter of right at any time, by applying for in writing and entering into a supplemental Agreement, obtain from CSM a higher limitation of liability by paying an additional amount consonant with the increase in liability.

12. The Parties agree that in the event CSM is found liable for any damage due to the negligent performance or failure to perform its monitoring services pursuant to this Agreement, it would be impractical and extremely difficult to fix actual damages. Therefore, Subscriber and Installer agree that should there arise any liability on the part of CSM, such liability shall be limited to the amount specified in paragraph 11 of this Agreement.

13. Installer and Subscriber agree to indemnify and hold CSM harmless from and against all claims, lawsuits and losses alleged to be caused by CSM's negligent performance or failure to perform this Agreement, including CSM's reasonable attorneys fees in defending any such claim.

14. This Agreement may not be assigned by Subscriber or by Installer without CSM's prior written approval.

15. Any removal by Subscriber of its alarm system from the premises set forth in this Agreement and any change or alteration in the monitoring system (except for replacement of units thereof with identical units) without the written approval of CSM shall terminate CSM's liability to perform monitoring services hereunder.

16. This Agreement shall be governed by the laws of the State of New York.

17. This Agreement contains the full understanding of the parties and may be varied, altered or modified only by a writing signed by all of the parties.

PLEASE INITIAL





TERMS AND CONDITIONS APPLYING TO SYSTEM DESIGN, SALE OF EQUIPMENT, MONITORING AND ANY OTHER RELATED SERVICES

AGREEMENT OF PURCHASE BETWEEN SAFECO ALARM SYSTEMS, INC., A New York Corporation, hereinafter referred to as COMPANY and The Customer listed on the front of this agreement under the section entitled "Billing Name and Address" Hereinafter referred to as CUSTOMER. The term purchase shall include but not be limited to system design, equipment, monitoring and related terms.

1. LIMITED WARRANTY --- Any part of the system, including the wiring, installed under this agreement which proves to be defective in material or workmanship within one year of the date of completion of installation will be repaired or replaced at COMPANY'S option with a new or functionally operative part. Labor and material required to repair or replace such defective components or to make mechanical adjustments to the system will be free of charge for a period of one year following the completion of the original system. This warranty is extended only to the original consumer purchaser of the system and may be enforced only by such person. To obtain service under this warranty call or write our service department at the telephone number or address listed on the front of this contract. Service pursuant to the warranty will be furnished only during COMPANY'S normal working hours, 8:30 am to 5:00 pm, Monday through Friday, except holidays. COMPANY shall not be responsible for failure to render service due to causes beyond its control. Services rendered outside the normal working hours of COMPANY are not within the scope of this warranty and any services requested to be performed at such times shall be charged for at COMPANY'S then applicable rates for labor and materials. This warranty does not apply to conditions listed below and in the event CUSTOMER calls COMPANY for service under the warranty and upon inspection it is found that one of these conditions has led to the inoperability or apparent inoperability of the system, a charge will be made to the service call of COMPANY'S representative whether or not he actually worked on the system. Should it actually be necessary to make repairs to the system due to one of the "conditions not covered by warranty" a charge will be made for such work at COMPANY'S then applicable rate for labor and materials. CONDITIONS NOT COVERED BY WARRANTY. A. Damage resulting from accident, acts of God, alterations, misuse, tampering or abuse. B. Failure of the CUSTOMER to properly close or secure a door, window, or other point protected by a Burglar Alarm device. C. Failure of the CUSTOMER to properly follow operating instructions provided by COMPANY at time of installation or at a later time. D. Trouble in a telephone line. E. Trouble due to interruption in commercial power. THE WARRANTY ABOVE IS IN LIEU OF ALL OTHER EXPRESSED WARRANTIES.

THE EXCLUSIVE REMEDY OF THE CUSTOMER HEREUNDER SHALL BE REPAIR OR REPLACEMENT AS STATED ABOVE. UNDER NO CIRCUMSTANCES SHALL COMPANY BE LIABLE TO THE CUSTOMER OR ANY OTHER PERSON FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY NATURE, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR PERSONAL INJURY OR DAMAGES TO PROPERTY, AND, HOWEVER OCCASIONED, WHETHER ALLEGED AS RESULTING FROM BREACH OF WARRANTY BY COMPANY, THE NEGLIGENCE OF COMPANY OR OTHERWISE. COMPANY'S LIABILITY WILL IN NO EVENT EXCEED THE PURCHASE PRICE OF THE SYSTEM. SOME STATES MAY NOT ALLOW LIMITATIONS ON HOW LONG AN IMPLIED WARRANTY LASTS, OR THE EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATIONS AND EXCLUSIONS MAY NOT APPLY TO YOU. UNLESS A LONGER PERIOD IS REQUIRED BY APPLICABLE LAW, ANY ACTION AGAINST COMPANY IN CONJUNCTION WITH THIS SYSTEM MUST BE COMMENCED WITHIN ONE YEAR AFTER THE CAUSE OF ACTION HAS ACCRUED. No agent, representative or employee of COMPANY nor any other person is authorized to modify this warranty in any respect. This warranty gives you specific legal rights and you may also have other rights which may vary from State to State.

2. Title to the equipment is to remain in COMPANY until the full purchase price has been paid. Failure to pay the purchase price of the installed equipment when due shall give COMPANY the right, without obligation to redecorate or repair the premises or any other liability, to repossess that equipment, with or without notice and to avail itself of any legal remedy. 3. INSTALLATION --- COMPANY agrees to install the equipment listed on the reverse side of this agreement in a workmanlike manner in accordance with the following conditions: A. CUSTOMER will make premises available without interruption during COMPANY'S normal working hours, 8:30 am to 5:00 pm, Monday through Friday, excluding holidays. B. CUSTOMER understands that the installation will necessitate drilling into various parts of premises, COMPANY intends, generally, to conceal wiring in the finished areas of the premises, however, there may be areas in which, due to construction, decoration or furnishing of the premises, COMPANY determines, in its sole discretion, that it would be impractical to conceal the wiring and in such cases, wire will be exposed. C. CUSTOMER agrees to provide 110 AC electrical outlet at designated location, for equipment requiring AC power. D. CUSTOMER agrees to provide for lifting and replacing carpeting, if required for installation of floor mats or wiring.

TERMS AND CONDITIONS OF MAINTENANCE SERVICE, SIGNAL RECEIVING AND NOTIFICATION SERVICE AND DIRECT CONNECT SERVICE

1. Maintenance service for the equipment supplied under this agreement will be provided for by COMPANY. If not contracted for before the expiration of the Warranty, COMPANY will enter into a service contract only after inspecting the system and only after making any necessary repairs or replacement to the system at a charge to the CUSTOMER for labor and/or material at COMPANY'S then prevailing rates. 2. Repairs and Parts Replacements without Maintenance Service --- After the Warranty, and if a Maintenance Service Rider has not been signed or as to conditions excluded from Maintenance Service, COMPANY will, if requested, provided the CUSTOMER will repair and replace, for the equipment at COMPANY'S prevailing prices and terms at the time. 3. A Direct Connection to the Municipal Police, Fire Department or any Agency shown shall be provided if the reverse side of this Agreement provides for direct connect service. 4. Signal Receiving and Notification Service shall be provided by COMPANY if the reverse side of the Agreement includes a charge for Signal Receiving and Notification Service. Under such service, in the event a distinct holdup alarm signal, if provided, or a fire alarm signal registers at COMPANY'S CENTRAL STATION, COMPANY shall endeavor to notify promptly at its sole discretion may endeavor to contact the CUSTOMER'S premises by telephone to verify that the alarm is not false. Failing to contact the CUSTOMER promptly or questioning the nature of the response received upon such contact, COMPANY shall endeavor to notify promptly the appropriate Police or Fire Department. In the event a supervisory signal or trouble signal registers at COMPANY'S CENTRAL STATION, COMPANY shall endeavor to notify promptly the designated representative of the CUSTOMER.

It is understood and agreed that in the event the connection service contracted for herein is terminated, some of the equipment may not be compatible with other receiving equipment.

5. Cancellation --- This agreement may be terminated at the option of COMPANY at any time in the event that COMPANY'S CENTRAL STATION is destroyed or so substantially damaged by fire or other catastrophe that is impracticable to continue service, or in the event that COMPANY is unable to secure or retain connections or privileges necessary for the transmission of signals by means of conductors between the CUSTOMER'S premises and the COMPANY'S CENTRAL STATION or between COMPANY'S CENTRAL STATION and the Municipal Fire or Police Department or between the CUSTOMER'S premises and the Municipal Police and Fire Department or other Agency and COMPANY shall not be liable for any damages or subject to any penalty as a result of such termination. It is understood and agreed that this agreement may be terminated by COMPANY in the event that CUSTOMER fails to follow any recommendation COMPANY may make for the repair or replacement of defective parts not covered under WARRANTY or Maintenance Service Rider or in the event that the CUSTOMER'S failure to follow the operating instructions provided at the time his system was installed in an undue number of false alarms or if the premises in which the system, is installed are so modified or altered after installation as to render continuation of service impractical, in the event of such termination, COMPANY will refund to the CUSTOMER any advanced payment made for service to be supplied subsequent to the date of such termination less any amount still due for the sale of equipment.

GENERAL TERMS AND CONDITIONS

1. LIMITS AND LIABILITY --- IT IS UNDERSTOOD THAT COMPANY IS NOT AN INSURER, THAT INSURANCE, IF ANY, SHALL BE OBTAINED BY THE CUSTOMER AND THAT AMOUNTS PAYABLE TO COMPANY HEREUNDER ARE BASED UPON THE VALUE OF THE SERVICES AND EQUIPMENT AND THE SCOPE OF LIABILITY AS HEREIN SET FORTH AND ARE UNRELATED TO THE VALUE OF THE CUSTOMER'S PROPERTY OR THE PROPERTY OF OTHERS LOCATED IN CUSTOMER'S PREMISES, COMPANY MAKES NO GUARANTY OR WARRANTY, INCLUDING ANY IMPLIED WARRANTY OR MERCHANTABILITY OR FITNESS, THAT THE SYSTEM OR SERVICES SUPPLIED WILL AVERT OR PREVENT OCCURRENCES OR THE CONSEQUENCES THEREFROM, WHICH THE SYSTEM OR SERVICE IS DESIGNED TO DETECT, THE CUSTOMER DOES NOT DESIRE THIS CONTRACT TO PROVIDE FOR FULL LIABILITY OF COMPANY AND AGREES THAT COMPANY SHALL BE EXEMPT FROM LIABILITY FOR LOSS OR DAMAGE DUE DIRECTLY OR INDIRECTLY TO OCCURRENCES OR CONSEQUENCES THEREFROM, WHICH THE EQUIPMENT OF SERVICE IS DESIGNED TO DETECT OR A VERT, THAT IF COMPANY SHOULD BE FOUND LIABLE FOR LOSS OR DAMAGE DUE TO A FAILURE OF SYSTEM DESIGN, SALE OF EQUIPMENT, MONITORING AND ANY OTHER RELATED SERVICE IN ANY RESPECT, ITS LIABILITY SHALL BE LIMITED TO \$250.00, AS THE EXCLUSIVE REMEDY, AND THE PROVISIONS OF THIS PARAGRAPH SHALL APPLY IF LOSS OR DAMAGE, IRRESPECTIVE OF CAUSE OR ORIGIN, RESULTS DIRECTLY OR INDIRECTLY TO PERSONS OR PROPERTY FROM PERFORMANCE OR NON-PERFORMANCE OF OBLIGATIONS IMPOSED BY THIS CONTRACT OR FROM NEGLIGENCE, ACTIVE OR OTHERWISE, OF COMPANY, ITS AGENTS, OR EMPLOYEES. NO ACTION SHALL BE BROUGHT AGAINST COMPANY MORE THAN ONE YEAR AFTER THE ACCRUAL OF THE CAUSE OF ACTION THEREFORE. IF THE CUSTOMER DESIRES COMPANY TO ASSUME A GREATER LIABILITY, COMPANY WILL AMEND THIS AGREEMENT TO ALLOW THE CUSTOMER TO PAY AN ADDITIONAL ANNUAL AMOUNT NECESSARY TO PURCHASE AN INSURANCE POLICY FOR SUCH GREATER LIABILITY. NO SUCH AMENDMENT SHALL BE EFFECTIVE UNLESS SIGNED BY THE CUSTOMER, COMPANY AND THE INSURANCE CARRIER WHICH WILL BE INSURING THE ADDITIONAL LIABILITY. IN THE EVENT ANY PERSON NOT A PARTY TO THIS AGREEMENT SHALL MAKE ANY CLAIM OR FILE ANY LAW SUIT AGAINST COMPANY FOR FAILURE OF ITS EQUIPMENT OR SERVICE IN ANY RESPECT. CUSTOMER AGREES TO INDEMNIFY, DEFEND AND HOLD COMPANY HARMLESS FROM ANY AND ALL SUCH CLAIMS AND LAW SUITS INCLUDING THE PAYMENT OF ALL DAMAGES, EXPENSES, COST AND ATTORNEY'S FEES. IF THIS AGREEMENT PROVIDES FOR A DIRECT CONNECTION TO A MUNICIPAL POLICE OR FIRE DEPARTMENT OR OTHER AGENCY THAT DEPARTMENT OR AGENCY MAY INVOKE THE PROVISIONS HEREOF AGAINST ANY CLAIM BY THE CUSTOMER DUE TO ANY FAILURE OF SUCH DEPARTMENT OR AGENCY.

2. ASSIGNEES/SUBCONTRACTORS OF COMPANY. COMPANY SHALL HAVE THE RIGHT TO ASSIGN THIS AGREEMENT TO ANY OTHER PERSON, FIRM OR CORPORATION WITHOUT NOTICE TO CUSTOMER AND SHALL HAVE THE FURTHER RIGHT TO SUBCONTRACT ANY INSTALLATION, MONITORING, MAINTENANCE OR OTHER SERVICES WHICH IT MAY PERFORM. CUSTOMER ACKNOWLEDGES THAT THIS AGREEMENT AND PARTICULARLY THOSE PARAGRAPHS RELATING TO COMPANY'S MAXIMUM LIABILITY, LIQUIDATED DAMAGES, AND THIRD PARTY INDEMNIFICATION, INURE TO THE BENEFIT AND ARE APPLICABLE TO ANY ASSIGNEES AND/OR SUBCONTRACTORS OF COMPANY, IN THAT THEY BIND CUSTOMER WITH RESPECT TO SAID ASSIGNEES AND/OR SUBCONTRACTORS WITH THE SAME FORCE AND EFFECT AS THEY BIND CUSTOMER TO COMPANY.

3. TAXES, MUNICIPAL CHARGES, ETC. --- IN ADDITION TO THE CHARGES HEREIN, THE CUSTOMER AGREES TO PAY ANY TAXES, FEES OR OTHER CHARGES RELATING TO THE INSTALLATION OR SERVICE PROVIDED UNDER THIS AGREEMENT WHICH ARE AUTHORIZED OR IMPOSED BY ANY GOVERNMENT BODY.

4. System Communication Charges --- If communication charges are included in the annual charge specified on the reverse side, CUSTOMER agrees to pay any increase in charges to COMPANY for facilities required for transmission of signals under this agreement.

5. Verbal --- There are no verbal understandings changing or modifying any of the terms of this agreement.

6. Approval --- This agreement is not binding unless approved by an authorized representative of COMPANY. In the event of failure of approval, as aforesaid, the only liability of COMPANY shall be to return to CUSTOMER the amount, if any, paid to COMPANY upon the signing of this agreement. COMPANY shall have no liability for delays in installation.

7. Entire Agreement --- This constitutes the entire agreement between CUSTOMER and COMPANY and no representation, statement, promise, condition, inducement, advertisement or advice not contained in this agreement shall be binding upon COMPANY as a warranty or otherwise. The foregoing terms and conditions shall prevail notwithstanding any variance with the terms and conditions of any order submitted by the CUSTOMER.

X

Signature

Date