

Customer (Subscriber) Terms and Conditions of Service

ALARM SYSTEMS, INC. (hereinafter referred to as "ASI") provides alarm services to Subscriber under the following Terms and Conditions:

1. SERVICE: Service pursuant to service requests includes all parts and labor, and ASI shall service upon Subscriber's request the security system installed in Subscriber's premises between the hours of 9 a.m. and 5 p.m. Monday through Friday, within reasonable time after receiving notice from Subscriber that service is required, exclusive of Saturdays, Sundays and legal holidays. All repairs, replacement or alteration to the security system made by reason of alteration to Subscriber's premises, or caused by unauthorized intrusion, lightning or electrical surge, or caused by any means other than normal usage, wear and tear, shall be made at the cost of the Subscriber. Batteries, electrical surges, lightning damage, software upgrades and repairs, communication devices no longer supported by communication pathways, obsolete components and components exceeding manufacturer's useful life are not included in service and will be repaired or replaced at Subscriber's expense payable at time of service. No apparatus or device shall be attached to or connect with the security system as originally installed without ASI's written consent.

2. PASSCODE TO CPU SOFTWARE REMAINS PROPERTY OF ASI: Provided Subscriber performs this agreement for the full term thereof, upon termination ASI shall at its option provide to Subscriber the passcode to the CPU software or change the passcode to the manufacturer's default code. Software programmed by ASI is the intellectual property of ASI and any unauthorized use of same, including derivative works, is strictly prohibited and may violate Federal Copyright laws, Title 17 of the United States Code, and may subject violator to civil and criminal penalties. The Equipment shall remain personal property and shall not be considered a fixture, or an addition to, alteration, conversion, improvement, modernization, remodeling, repair or replacement of any part of the realty, and Subscriber shall not permit the attachment thereto of any apparatus not furnished by ASI. ASI's signs and decals remain the property of ASI and must be removed upon termination of this Agreement.

3. CENTRAL OFFICE MONITORING: Upon receipt of a signal from Subscriber's alarm system, ASI or its designee central office shall make every reasonable effort to notify Subscriber and the appropriate municipal police or fire department depending upon the type of signal received. Not all signals will require notification to the authorities and Subscriber may obtain a written response policy from ASI. No response shall be required for supervisory, loss of communication pathway, trouble or low battery signals. Subscriber acknowledges that signals transmitted from Subscriber's premises directly to municipal police or fire departments are not monitored by personnel of ASI or ASI's designee central office and ASI does not assume any responsibility for the manner in which such signals are monitored or the response, if any, to such signals. Subscriber acknowledges that signals which are transmitted over telephone lines, wire, air waves, internet, VOIP, radio or cellular, or other modes of communication pass through communication networks wholly beyond the control of ASI and are not maintained by ASI except ASI may own the radio network, and ASI shall not be responsible for any failure which prevents transmission signals from reaching the central office monitoring center or damages arising therefrom, or for data corruption, theft or viruses to Subscriber's computers if connected to the alarm communication equipment. Subscriber agrees to furnish ASI with a written Call List of names and telephone numbers of those persons Subscriber wishes to receive notification of alarm signals. Unless otherwise provided in the Call List ASI will make a reasonable effort to contact the first person reached or notified on the list either via telephone call, text or email message. No more than one call to the list shall be required and any form of notification provided for herein, including leaving a message on an answering machine, shall be deemed reasonable compliance with ASI's notification obligation. All changes and revisions shall be supplied to ASI in writing. Subscriber authorizes ASI to access the control panel to input or delete data and programming. If the equipment contains video or listening devices permitting central office to monitor video or sound then upon receipt of an alarm signal central office shall monitor video or sound for so long as central office in its sole discretion deems appropriate to confirm an alarm condition. If Subscriber requests ASI to remotely activate or deactivate the system, change combinations, openings or closings, or re-program system functions, Subscriber shall pay ASI \$90.00 for each such service. ASI may, without prior notice, suspend or terminate its services, in central office's sole discretion, in event of Subscriber's default in performance of this agreement or in event central office facility or communication network is nonoperational or Subscriber's alarm system is sending excessive false alarms. Central office is authorized to record and maintain audio and video transmissions, data and communications, and shall be the exclusive owner of such property. All Subscriber information and data shall be maintained confidentially by ASI.

4. REMOTE SERVICES ACCESS / EXCESSIVE DATA USAGE: If Remote Access and or Remote Viewing is included in the Schedule Of Equipment and Services to be installed and services provided by ASI, the equipment will transmit data via Subscriber's high speed Internet, cellular or radio communication service from remote pendant supplied by ASI or Subscriber's Internet or wireless connection device which is compatible with ASI's remote services. ASI will grant access to server permitting Subscriber to monitor the security system, access the system to arm, disarm and bypass zones on the system, view the remote video camera(s) and control other remote automation devices that may be installed. The remote services server is provided either by ASI or a third party. ASI shall install the camera(s) in a permissible legal location in Subscriber's premises to permit Subscriber viewing. ASI shall have no responsibility for failure of data transmission, corruption or unauthorized access and shall not monitor or view the camera data. ASI shall have no liability for excessive data usage expense incurred by Subscriber attributable to the equipment or services provided herein. Electronic data may not be encrypted and wireless components of the alarm system may not meet Advanced Encryption Standard specifications for encryption of electronic data established by the US National Institute of Standards and Technology and ASI shall have no liability for access to the alarm system by others.

5. WIRELESS AND INTERNET ACCESS CAPABILITIES: Subscriber is responsible for supplying high speed Internet access at Subscriber's premises. ASI does not provide Internet service, maintain Internet connection, wireless access or communication pathways, computer, smart phone, electric current connection or supply, or in all cases the remote video server. In consideration of Subscriber making its monthly payments for remote access to the system ASI will authorize Subscriber access. ASI is not responsible for Subscriber's access to the Internet or any interruption of service or down time of remote access caused by loss of Internet service, radio or cellular or any other mode of communication used by Subscriber to access the system. Subscriber acknowledges that Subscriber's security system can be compromised if the codes or devices used for access are lost or accessed by others and ASI shall have no liability for such third party unauthorized access. ASI is not responsible for the security or privacy of any wireless network system or router. Wireless systems can be accessed by others, and it is the Subscriber's responsibility to secure access to the system with pass codes and lock out codes. ASI is not responsible for access to wireless networks or devices that may not be supported by communication carriers and upgrades to Subscriber's system will be at Subscriber's expense.

6. Limited Warranty: In the event that any part of the security system becomes defective, or in the event that any repairs are required, ASI agrees to make all repairs and replacement of parts without costs to the Subscriber for a period of 90 days from the date of installation. ASI reserves the option to either replace or repair the alarm equipment, and reserves the right to substitute materials of equal quality at time of replacement, or to use reconditioned parts in fulfillment of this warranty. This warranty does not include batteries, electrical surges, lightning damage, software upgrades and repairs, communication devices that are no longer supported by communication pathways, obsolete components and components exceeding manufacturer's useful life. ASI is not the manufacturer of the equipment and other than ASI's limited warranty Subscriber agrees to look exclusively to the manufacturer of the equipment for repairs under its warranty coverage if any. Except as set forth in this agreement, ASI makes no express warranties as to any matter whatsoever, including, without limitation, the condition of the equipment, its merchantability, or its fitness for any particular purpose. ASI does not represent nor warrant that the security system may not be compromised or circumvented, or that the system will prevent any loss by burglary, hold-up, fire or otherwise; or that the system will in all cases provide the protection for which it is installed. ASI expressly disclaims any implied warranties, including implied warranties of merchantability or fitness for a particular purpose. The warranty does not cover any damage to material or equipment caused by accident, misuse, attempted or unauthorized repair service, modification, or improper installation by anyone other than ASI. ASI shall not be liable for consequential damages. Subscriber acknowledges that any affirmation of fact or promise made by ASI shall not be deemed to create an express warranty unless included in this agreement in writing; that Subscriber is not relying on ASI's skill or judgment in selecting or furnishing a system suitable for any particular purpose and that there are no warranties which extend beyond those on the face of this agreement, and that ASI has offered additional and more sophisticated equipment for an additional charge which Subscriber has declined. Subscriber's exclusive remedy for ASI's breach of this agreement or negligence to any degree under this agreement is to require ASI to repair or replace, at ASI's option, any equipment which is non-operational. This Limited Warranty is independent of and in addition to service contracted. This Limited Warranty gives you specific legal rights and you may also have other rights which vary from state to state.

7. FIRE ALARMS: Unless the Schedule of Equipment and Services provides for a fire alarm system to code ASI makes no representation that the fire alarm equipment meets local code requirements or constitutes a fire alarm system as that term is defined by the Authority Having Jurisdiction [AHJ] over fire alarm systems in Subscriber's premises. If a fire alarm system to code is specified in the Schedule of Equipment and Services then ASI will install fire alarm equipment pursuant to AHJ requirements. Subscriber agrees that any equipment required by the AHJ not specified in the Schedule of Equipment and Services shall be an extra to this agreement to be paid for by Subscriber at time said additional equipment is requested.

8. DELAY IN DELIVERY / INSTALLATION / RISK OF LOSS OF MATERIAL: ASI shall not be liable for any damage or loss sustained by Subscriber as a result of delay in delivery and/or installation of equipment, equipment failure, or for interruption of service due to electric failure, strikes, walk-outs, war, acts of God, or other causes, including ASI's negligence or failure to perform any obligation. The estimated date work is to be substantially completed is not a definite completion date and time is not of the essence. In the event the work is delayed through no fault of ASI, ASI shall have such additional time for performance as may be reasonably necessary under the circumstances. Subscriber agrees to pay ASI the sum of \$1,000 per day for each business day the work is re-scheduled or delayed by Subscriber or others engaged by Subscriber through no fault of ASI on less than 24 hour notice to ASI. If installation is delayed for more than one year from date hereof by Subscriber or other contractors engaged by Subscriber and through no fault of ASI, Subscriber agrees to pay an additional 5% of the contract Purchase Price upon installation. Subscriber assumes all risk of loss of material once delivered to the job site.

9. TESTING OF SECURITY SYSTEM: Security System, once installed, is in the exclusive possession and control of the Subscriber, and it is Subscriber's sole responsibility to test the operation of the Security System and to notify ASI if it is in need of repair. Service if provided is pursuant to paragraph 3.

10. CARE AND SERVICE OF SECURITY SYSTEM: Subscriber agrees not to tamper with, remove or otherwise interfere with the Security System which shall remain in the same location as installed. All repairs, replacement or alteration to the security system made by reason of alteration to Subscriber's premises, or caused by unauthorized intrusion, lightning or electrical surge, or caused by any means other than normal usage, wear and tear, shall be made at the cost of the Subscriber. Batteries, electrical surges, lightning damage, software upgrades and repairs, communication devices that are no longer supported by communication pathways, obsolete components and components exceeding manufacturer's useful life, are not included in warranty or service under plan and will be repaired or replaced at Subscriber's expense payable at time of service. No apparatus or device shall be attached to or connect with the security system as originally installed without ASI's written consent.

11. ALTERATION OF PREMISES FOR INSTALLATION: ASI is authorized to make preparations such as drilling holes, driving nails, making attachments or doing any other thing necessary in ASI's sole discretion for the installation and service of the security system, and ASI shall not be responsible for any condition created thereby as a result of such installation, service, or removal of the security system, and Subscriber represents that the owner of the premises, if other than Subscriber, authorizes the installation of the security system under the terms of this agreement.

12. SUBSCRIBER'S DUTY TO SUPPLY ELECTRIC AND TELEPHONE SERVICE: Subscriber agrees to furnish, at Subscriber's expense, all 110 Volt AC power, electrical outlet, ARC Type circuit breaker and dedicated receptacle, internet connection, high speed broadband cable or DSL and IP Address, telephone hook-ups, RJ31x Block or equivalent, as deemed necessary by ASI.

13. LIEN LAW: ASI or any subcontractor engaged by ASI to perform the work or furnish material who is not paid may have a claim against purchaser or the owner of the premises if other than the purchaser which may be enforced against the property in accordance with the applicable lien laws.

14. INDEMNITY / WAIVER OF SUBROGATION RIGHTS / ASSIGNMENTS: Subscriber agrees to indemnify and hold harmless ASI, its employees, agents and subcontractors, from and against all claims, lawsuits, including those brought by third-parties or by Subscriber, including reasonable attorneys' fees and losses, asserted against and alleged to be caused by ASI's performance, negligence or failure to perform any obligation under this agreement. Parties agree that there are no third party beneficiaries of this agreement. Subscriber on its behalf and any insurance carrier waives any right of subrogation Subscriber's insurance carrier may otherwise have against ASI or ASI's subcontractors arising out of this agreement or the relation of the parties hereto. Subscriber shall not be permitted to assign this agreement without written consent of ASI. ASI shall have the right to assign this agreement and shall be relieved of any obligations herein upon such assignment.

15. EXCULPATORY CLAUSE: ASI and Subscriber agree that ASI is not an insurer and no insurance coverage is offered herein. The security equipment and ASI's services are designed to reduce certain risks of loss, though ASI does not guarantee that no loss will occur. ASI is not assuming liability, and, therefore, shall not be liable to Subscriber for any loss, data corruption or inability to retrieve data, personal injury or property damage sustained by Subscriber as a result of intrusion, burglary, theft, hold-up, fire, equipment failure, smoke, or any other cause whatsoever, regardless of whether or not such loss or damage was caused by or contributed to by ASI's negligent performance to any degree in furtherance of this agreement, any extra contractual or legal duty, strict products liability, or negligent failure to perform any obligation pursuant to this contract or any other legal duty. In the event of any loss or injury to any person or property, Subscriber agrees to look exclusively to Subscriber's insurer to recover damages. Subscriber releases ASI from any claims for contribution, indemnity or subrogation.

16. INSURANCE: The Subscriber shall maintain a policy of public liability, property damage, burglary and theft insurance under which ASI is named as additional insured. ASI shall not be responsible for any portion of any loss or damage which is recovered or recoverable by the Subscriber from insurance covering such loss or damage or for such loss or damage against which the Subscriber is indemnified or insured. In the event of any loss or injury to any person or property, Subscriber agrees to look exclusively to Subscriber's insurer to recover damages. Subscriber shall obtain insurance to cover any loss the security services are intended to detect to one hundred percent of the insurable value, and Subscriber and all those claiming rights under Subscriber waive all rights against ASI and its subcontractors for loss or damages caused by burglary, theft, water, smoke, fire or other perils intended to be detected by the security services or covered by insurance to be obtained by Subscriber, except such rights as they may have to the proceeds of insurance.

17. LIMITATION OF LIABILITY: Subscriber agrees that should there arise any liability on the part of ASI as a result of ASI's negligent performance to any degree or negligent failure to perform any of ASI's obligations pursuant to this agreement or any other legal duty, equipment failure, or strict products liability, that ASI's liability shall be limited to the sum of \$250.00 or 5% of the sales price or 6 times the aggregate of monthly payments for services being provided at time of loss, whichever is greater. If Subscriber wishes to increase ASI's amount of limitation of liability, Subscriber may, as a matter of right, at any time, by entering into a supplemental agreement, obtain a higher limit by paying an annual payment consonant with ASI's increased liability. This shall not be construed as insurance coverage.

18. LEGAL ACTION / EARLY TERMINATION / AGREEMENT TO ARBITRATE: The parties agree that due to the nature of the services to be provided by ASI, the payments to be made by the Subscriber for the term of the services part of this agreement form an integral part of ASI's anticipated profits; that in the event of Subscriber's default it would be difficult if not impossible to fix ASI's actual damages. Therefore, in the event Subscriber defaults in any payment or charges to be paid to ASI, the balance of all payments for the entire term herein shall immediately become due and payable, and Subscriber shall be liable for 80% thereof as liquidated damages and ASI shall be permitted to terminate all its services, including but not limited to terminating monitoring service, under this agreement and to remotely re-program or delete any programming without relieving Subscriber of any obligation herein. If ASI prevails in any litigation or arbitration between the parties, Subscriber shall pay ASI's legal fees. In any action commenced by ASI against Subscriber, Subscriber shall not be permitted to interpose any counterclaim. The parties agree that they may bring claims against the other only in their individual capacity, and not as a class action plaintiff or class action member in any purported class or representative proceeding. Subject to Subscriber's right to bring any claim against ASI for up to \$1,000 in small claims court having jurisdiction, any dispute between the parties or arising out of this agreement, including issues of arbitrability, shall, at the option of any party, be determined by arbitration before a single arbitrator administered by Arbitration Services Inc., under its Arbitration Rules www.ArbitrationServicesInc.com, except that no punitive damages may be awarded. Service of process or papers in any legal proceeding or arbitration between the parties may be made by First-Class Mail delivered by the U.S. Postal Service addressed to the party's address in this agreement or another address provided by the party in writing to the party making service. Subscriber submits to the jurisdiction and laws of Illinois and agrees that any litigation or arbitration between the parties must be commenced and maintained in the county where ASI's principal place of business is located. The parties waive trial by jury in any action between them unless prohibited by law. Any action by Subscriber against ASI must be commenced within one year of the accrual of the cause of action or shall be barred. All actions or proceedings against ASI must be based on the provisions of this agreement. Any other action that Subscriber may have or bring against ASI in respect to other services rendered in connection with this agreement shall be deemed to have merged in and be restricted to the terms and conditions of this agreement, and this consent to arbitrate shall survive the termination of this agreement.

19. ASI'S RIGHT TO SUBCONTRACT SPECIAL SERVICES: Subscriber agrees that ASI is authorized and permitted to subcontract any services to be provided by ASI to third parties who may be independent of ASI, and that ASI shall not be liable for any loss or damage sustained by Subscriber by reason of fire, theft, burglary or any other cause whatsoever caused by the negligence of third parties. Subscriber appoints ASI to act as Subscriber's agent with respect to such third parties, except that ASI shall not obligate Subscriber to make any payments to such third parties. Subscriber acknowledges that this agreement, and particularly those paragraphs relating to ASI's disclaimer of warranties, exemption from liability, even for its negligence, limitation of liability and indemnification, inure to the benefit of and are applicable to any assignees, subcontractors, manufacturers, vendors and central offices of ASI.

20. FALSE ALARMS / PERMIT FEES: Subscriber is responsible for all alarm permits and fees, agrees to file for and maintain any permits required by applicable law and indemnify or reimburse ASI for any fines relating to permits or false alarms. ASI shall have no liability for permit fees, false alarms, false alarm fines, police or fire response, any damage to personal or real property or personal injury caused by police or fire department response to alarm, whether false alarm or otherwise, or the refusal of the police or fire department to respond. In the event of termination of police or fire response by the municipal police or fire department this agreement shall nevertheless remain in full force and Subscriber shall remain liable for all payments provided for herein. Should ASI be required by existing or hereafter enacted law to perform any service or furnish any material not specifically covered by the terms of this agreement Subscriber agrees to pay ASI for such service or material.