

## **RESIDENTIAL TERMS OF ALARM MONITORING SERVICE AGREEMENT**

1. The Subscriber understands that Telecom Associates, Inc. d/b/a Comporium Security (hereinafter referred to as the "Company") will provide monitoring services upon the terms and conditions set forth herein at the Subscriber's and Dealer's request. The Company is in the business of providing telephonic and other remote monitoring services for customers who have electro-protective systems at their places of business, homes, etc. The Subscriber understands that the Company must know and have on record basic information about the Subscriber system. The Subscriber also acknowledges that it has completed the portion of this agreement which calls for that information, and that the Company, in performing its obligations under this Agreement, will rely solely on the information given by the Subscriber.
2. Subscriber hereby represents that it has contracted, or is about to contract, with Dealer for the installation of a protective system at premises owned or occupied by Subscriber and in connection with such installation has also requested monitoring service of said system.
3. The parties agree that the Company's sole and only obligation under this agreement shall be to monitor signals received by means of the protective system installed by Dealer and located on Subscriber's premises and to respond thereto. The Company, upon receipt of a signal, shall make every reasonable effort to transmit notification of the alarm promptly to the police, fire or other authorities and to the person or persons whose names and telephone numbers are provided to the Company by Subscriber, unless there is reason to assume that an emergency condition does not exist.
4. This Agreement shall continue for as long as the Dealer contracts with the Company for the performance of monitoring services for Subscriber. In the event that Dealer notifies the Company of its termination of service for Subscriber for any reason, or in the event of a default by Dealer of the terms and conditions of Dealer's separate agreement with Company or of this Agreement, the Company will give the Subscriber and/or Dealer at least fifteen (15) days notice of termination of such services to the Subscriber and, upon giving such notice, this Agreement and all the Company's responsibilities hereunder shall come to an end as of the date fixed in such notice.

In the event that amounts due by the Subscriber to the Company hereunder are not paid in full by the Dealer or the Subscriber within thirty (30) days of the date of the invoice, the Company may terminate this Agreement and all monitoring services by notice given under Paragraph 16 below, such termination to be effective as of the date set forth in the notice. The notice will be sent to Dealer. Company will also make a reasonable attempt to notify the Subscriber, but it does not obligate itself to do so. It is the responsibility of the Dealer to notify all his/her Subscriber(s) of termination of services for non-payment.

This Agreement may also be suspended or cancelled at the Company's option should the protective equipment on the premises of the Subscriber become so substantially disabled or damaged that further service is impracticable or if the rendering of such service is not possible by reason of strike, riot, floods, fires, interruption of telephone communications service, acts of God, or any other cause beyond the control of the Company.

5. The Subscriber understands that the Company's only obligation is to monitor signals from the Subscriber's electro-protective system and respond to the signals when received. The Company will make every reasonable effort to notify the authorities whose numbers or names are written in the Notification part of this Agreement.
6. The Subscriber acknowledges that the electro-protective system is owned by him and all responsibility for maintenance, repair, service, replacement or insurance of the system is the responsibility of the Subscriber and not of the Company. The Company has no responsibility hereunder for the condition or functioning of the system.
7. If the Subscriber's system is damaged to such an extent or not functioning in such a way that false alarms are transmitted with unreasonable frequency, the Company may choose to suspend its obligation under this Agreement until the system is fixed or the condition corrected or cancel this Agreement. If the Company elects to suspend its obligations, it will first notify the Dealer and Subscriber of this suspension.

8. Subscriber understands that the signals from the electro-protective system, which the Company will monitor, are transmitted over a variety of electronic means which are not under the Company's control, including normal telephone lines, wireless transmissions, etc. to the Company. Subscriber also understand that the Company cannot be responsible for any monitoring during periods when these means are interrupted, such as when either Subscriber's or Company's telephone lines are not working, there are interruptions in wireless transmissions, or under any condition which would make it impossible to send messages by the means employed from Subscriber's premises to the Company's place of business.
9. The company shall not be responsible for losses or damages suffered by a Subscriber caused by:
  - a) Defects or deficiencies in the electro-protective system owned by the Subscriber or
  - b) Delay in response time or failure to respond by any person or authority notified by the Company according to Subscriber's instructions in this Agreement.
10. It is also understood that although the Company is being paid to monitor system designed to reduce certain risks of loss or damage, the Company cannot guarantee that loss or damage will not occur. The Company is not an insurer against loss or damage. All insurance arrangements to cover loss or damage must be made separately by the Subscriber.
11. The Company shall not be responsible for any fees, charges or assessments imposed by any government authority or other persons in connection with false alarms from any equipment located at any Subscriber's premises. The Company shall not be responsible for any fees, licenses or taxes imposed by any government authority.
12. It is understood that the Company is not an insurer, that insurance, if any, shall be obtained by and be the sole responsibility of Subscriber and that the amounts payable to the Company hereunder are based upon the value of the services and the scope of liability as herein set forth and are unrelated to the value of property or danger to persons located in Subscriber's premises. The parties hereto agree that it is impractical and extremely difficult to fix the actual damages, if any, that may proximately result from the failure on the part of the Company to perform any of its obligations hereunder. The Subscriber does not desire that this Agreement provide for full liability of the Company and agrees that the Company shall be exempt from liability for loss or damages due directly or indirectly to occurrences, or consequences therefrom, which the service or system is designed to detect or avert. If the Company shall be found liable for loss or damages due to a failure of service in any respect, its liability shall be limited to a sum equal to one-half of the annual service charge paid by the Subscriber or \$250 as liquidated damages and not as a penalty, whichever is greater. The provision of this paragraph shall apply as the exclusive remedy of the Dealer and/or the Subscriber, if loss or damage, irrespective of cause or origin, results directly or indirectly to person or property from performance or nonperformance or obligations imposed by this Agreement or from negligence, active or otherwise, of the Company, its agents or employees. IN ADDITION, IN NO EVENT SHALL THE COMPANY BE LIABLE FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES. IT IS SPECIFICALLY UNDERSTOOD THAT THE COMPANY DISCLAIMS THE IMPLIED WARRANTY OF MERCHANTABILITY AND ANY IMPLIED WARRANTIES OF FITNESS FOR ANY PARTICULAR PURPOSE. THE DEALER AND SUBSCRIBER UNDERSTAND AND AGREE THAT THE COMPANY MAKES NO WARRANTIES OTHER THAN THOSE EXPRESSED IN WRITING BY THE COMPANY AND THAT NO REPRESENTATIVE OF THE COMPANY OR THE DEALER HAS ANY AUTHORITY TO MAKE ANY ADDITIONAL EXPRESS WARRANTIES OR OTHERWISE VARY THE TERMS OF THIS AGREEMENT.
13. THE DEALER AGREES TO AND SHALL INDEMNIFY AND SAVE HARMLESS THE COMPANY, ITS EMPLOYEES AND AGENTS, FROM AND AGAINST ALL CLAIMS, SUITS, CAUSES OF ACTION, LIABILITY, COSTS, DAMAGES, OF WHATEVER KIND OR NATURE, INCLUDING REASONABLE ATTORNEYS' FEES, INCURRED OR ALLEGED TO HAVE BEEN INCURRED BY OR CAUSED TO ANY PERSON, ENTITY OR THING AS A RESULT, DIRECTLY OR INDIRECTLY, OF ANY OF THE GOODS AND SERVICES SOLD, PERFORMED OR COVERED IN THIS AGREEMENT.
14. Neither the Dealer nor the Subscriber may assign his interest under this Agreement without prior written consent of the Company.
15. This Agreement is to be governed by the laws of South Carolina. Any legal proceeding, including arbitration, commenced hereunder or with reference to this Agreement shall be brought exclusively in York County, South Carolina.

16. Any notices required to be given by each of the parties to this Agreement to the other must be in writing and mailed by first class mail, addressed to the party at the address shown in this Agreement.
17. The parties hereto agree that this Agreement contains the entire understanding and final expression of agreement between the parties, that only representations contained herein are binding on the parties, and that no prior statements or representations of any type shall be received in evidence or otherwise used to vary the express terms set forth herein. It shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns. This Agreement may be amended only in writing signed by the parties, and no oral modification of this Agreement shall be enforceable.
18. Only representations contained in this writing are binding on the Company.
19. Subject to the provision in Paragraph 4 above, the term of this Agreement is three years beginning on the date that it is signed by the Company and shall be automatically renewed for an additional period of one year commencing upon the expiration of the original term or any renewal term unless terminated by any party by written notice given at least thirty (30) days prior to the expiration of the original term or any one-year renewal term.
20. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by binding arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. In the event that the Company must enter into arbitration or any other legal proceeding to collect any amounts due from the Dealer or the Subscriber under this Agreement or any other agreement between the parties hereto, the Dealer and the Subscriber hereby specifically agree and understand that they will be liable for all costs, expenses and fees incurred by the Company in collecting such amounts, including, without limitation, reasonable attorneys' fees. Any delinquent accounts for amounts due the Company under this Agreement shall be subject to a late payment or finance charge of one and one-half percent (1 ½%) per month, or eighteen percent (18%) per annum until paid.