

INTEGRATED SECURITY SPECIALISTS, INC.
3538 Willow Valley Road
Long Grove, IL 60047
(888) 228-0456

STANDARD ALARM SALES/MONITORING/SERVICE CONTRACT

Date: _____

Subscriber's Name: _____

Address: _____

City/State/Zip: _____

Billing address: _____

SALE

1. INTEGRATED SECURITY SPECIALISTS, INC. (hereinafter referred to as "INTEGRATED" or "ALARM COMPANY") agrees to sell and install, at Subscriber's premises, and Subscriber agrees to buy, an electronic security, fire alarm system, access control, video system or locksmith services.

Total: _____

Recurring monthly monitoring: _____

Due with contract signing: _____

Recurring monthly service: _____

Balance due upon completion: _____

Total monthly recurring: _____

System Description:

MONITORING

2. COMMUNICATION SOFTWARE REMAINS THE PERSONAL PROPERTY OF INTEGRATED: INTEGRATED shall instruct Subscriber in the proper use of the security system, install, program and service at the premises of the Subscriber, communication software, which shall remain the sole personal property of INTEGRATED and shall not be considered a fixture or a part of the realty, and Subscriber shall not permit the attachment thereto of any apparatus not furnished by INTEGRATED. Passcode to CPU software remains property of INTEGRATED. Provided Subscriber performs this agreement for the full term thereof, upon termination INTEGRATED shall at its option provide to Subscriber the passcode to the CPU software or change the passcode to the manufacturer's default code.

3. DESCRIPTION OF MONITORING SERVICES: _____

4. TRANSMISSION METHOD: _____

5. TERM OF AGREEMENT: RENEWAL: The term of the monitoring part of this agreement shall be for a period of five years and shall automatically renew month to month thereafter under the same terms and conditions, unless either party gives written notice to the other by certified mail, return receipt requested, of their intention not to renew the contract at least 30 days prior to the expiration of any term. After the expiration of one year from the date hereof INTEGRATED shall be permitted from time to time to increase the monitoring charge by an amount not to exceed nine percent each year and Subscriber agrees to pay such increase.

6. CENTRAL OFFICE MONITORING: Upon receipt of a signal from the communication software, INTEGRATED or its designee communication center shall make every reasonable effort to notify Subscriber and the appropriate municipal police or fire department. Subscriber acknowledges that signals transmitted from Subscriber's premises directly to municipal police or fire departments are not monitored by personnel of INTEGRATED or INTEGRATED's designee communication center and INTEGRATED 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 or other modes of communication pass through communication networks wholly beyond the control of INTEGRATED and are not maintained by INTEGRATED and, therefore, INTEGRATED shall not be responsible for any failure which prevents transmission signals from reaching the central office monitoring center or damages arising therefrom. Subscriber agrees to furnish INTEGRATED with a written list of names and telephone numbers of those persons Subscriber wishes to receive notification of alarm signals. All changes and revisions shall be supplied to INTEGRATED in writing. Subscriber authorizes INTEGRATED to access the control panel to input or delete data and programming. If the equipment contains listening devices permitting central office to monitor sound then upon receipt of an alarm signal central office shall monitor sound for so long as central office in its sole discretion deems appropriate to confirm an alarm condition. If Subscriber requests INTEGRATED to remotely activate or deactivate the system, change combinations, openings or closings, or re-program

system functions, Subscriber shall pay INTEGRATED \$45.00 for each such service. INTEGRATED 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.

7. **LEGAL ACTION:** The parties agree that due to the nature of the services to be provided by INTEGRATED, the payments to be made by the Subscriber for the term of the monitoring part of this agreement pursuant to paragraph 4(b) form an integral part of INTEGRATED's anticipated profits; that in the event of Subscriber's default it would be difficult if not impossible to fix INTEGRATED's actual damages. Therefore, in the event Subscriber defaults in the payment of any charges to be paid to INTEGRATED, 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 INTEGRATED shall be permitted to terminate all its services under this agreement and to remotely re-program or delete any programming without relieving Subscriber of any obligation herein. In the event of Subscriber's breach of this agreement, INTEGRATED may at its option either remove its software or deem same sold to Subscriber for 80% of the amount specified as the value of the equipment in addition to the liquidated damages provided for herein.

SERVICE

8. Service includes all parts and labor. INTEGRATED 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 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. Foil, batteries, contacts, and obsolete components are not included in this service contract and will be repaired or replaced at Subscriber's expense. No apparatus or device shall be attached to or connected to the system as originally installed without INTEGRATED's written consent.

9. **SERVICE CONTRACTED FOR: (Circle a or b and or c** (a) Subscriber agrees to pay INTEGRATED on a per call basis. If this contract provides for service on a per call basis, Subscriber agrees to pay INTEGRATED for all parts and labor at time of service. (b) Subscriber agrees to pay the sum listed above in paragraph 1, per month, payable quarter or annually in advance for the term of this agreement. (c) **Inspection Option.** Subscriber agrees to pay the sum listed in paragraph 1, per month, payable, in advance, for inspection service. If this option is selected INTEGRATED will make an annual inspection of the security system. Inspection service includes testing of all components to insure proper working order. INTEGRATED will notify subscriber 30 days in advance of inspection date, and it is Subscriber's responsibility to reschedule or permit access. Only one scheduled inspection is included. Testing at inspection insures only that components are in proper working order at time of inspection unless otherwise reported to Subscriber at time of inspection.

10. The term of the service part of this agreement shall be for a period of five years. This agreement shall renew itself month to month thereafter under the same terms and conditions, unless either party terminates this agreement by sending written notice by certified mail, return receipt requested, to the other party thirty days prior to the renewal period. After the expiration of one year from the date hereof INTEGRATED shall be permitted from time to time to increase the servicing charge by an amount not to exceed nine percent each year and Subscriber agrees to pay such increase.

11. Provided Subscriber has agreed to pay a fixed amount for service pursuant to paragraph 9(b), the parties agree that due to the nature of the services to be provided by INTEGRATED, the payments to be made by Subscriber for the term of this agreement are an integral part of INTEGRATED's anticipated profits and in the event of Subscriber's breach of this agreement it would be difficult if not impossible to reasonably estimate INTEGRATED's actual damages. Therefore, in the event of Subscriber's default of this agreement Subscriber shall pay to INTEGRATED 80% of the balance due for the term of this agreement as liquidated damages.

LIMITED WARRANTY ON SALE

12. In the event that any part of the security system becomes defective, or in the event that any repairs are required, INTEGRATED agrees to make all repairs and replacement of parts without costs to the Subscriber for a period of ninety (90) days from the date of installation. INTEGRATED 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, reprogramming damage by lightning, electrical surge, wire or foil breaks. INTEGRATED is not the manufacturer of the equipment and other than INTEGRATED'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, INTEGRATED 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. INTEGRATED 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. INTEGRATED 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 INTEGRATED. INTEGRATED shall not be liable for consequential damages. Subscriber acknowledges that any affirmation of fact or promise made by INTEGRATED shall not be deemed to create an express warranty unless included in this contract in writing; that Subscriber is not relying on INTEGRATED'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 INTEGRATED has offered additional and more sophisticated equipment for an additional charge which Subscriber has declined. Subscriber's exclusive remedy for INTEGRATED's breach of this contract or negligence to any degree under this contract is to require INTEGRATED to repair or replace, at INTEGRATED's option, any equipment which is non-operational. This warranty gives you specific legal rights and you may also have other rights which vary from state to state. If required by law, INTEGRATED will procure all permits required by local law and will provide certificate of workman's compensation prior to starting work.

GENERAL PROVISIONS

13. **FIRE ALARMS:** Unless the schedule of protection provides for a fire alarm system to code INTEGRATED 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] of fire alarm systems in Subscriber's premises. If a fire alarm system to code is specified in the schedule of installation then INTEGRATED will install fire alarm equipment pursuant plans and specifications of architect or professional engineer engaged by Subscriber, filed and approved by the AHJ over fire alarm systems. Subscriber agrees that any equipment required by the AHJ not specified in the schedule of installation shall be an extra to this contract to be paid for by Subscriber at time said additional equipment is requested.

14. **DELAY IN INSTALLATION:** INTEGRATED shall not be liable for any damage or loss sustained by Subscriber as a result of delay in 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 INTEGRATED's negligence in the performance of this contract. The estimated date work is to be substantially completed is not a definite completion date and time is not of the essence.

15. **TESTING AND SERVICE OF COMMUNICATION SOFTWARE:** Communication software, 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 communication software and to notify INTEGRATED if it is in need of repair. INTEGRATED shall not be required to service the communication software unless it has received notice from Subscriber, and upon such notice, INTEGRATED shall service the communication software to the best of its ability within 36 hours, exclusive of Saturday, Sunday and legal holidays, during the business hours of 9 a.m. and 5 p.m. Any repair or other services provided by INTEGRATED to Subscriber's alarm or security equipment shall be at INTEGRATED's option on a per call request by Subscriber, and Subscriber shall pay for such labor and material at time such repair or other service is performed. All such repair or other service shall be governed by the terms of this contract. In the event Subscriber complies with the terms of this agreement and INTEGRATED fails to repair the communication software, Subscriber agrees to send notice in writing by certified or registered mail, return receipt requested and Subscriber shall not be responsible for payments due while the communication software remains inoperable. In any lawsuit between the parties in which the condition or operation of the communication software is in issue, the Subscriber shall be precluded from raising the issue that the communication software was not operating unless Subscriber can produce a post office certified or registered receipt, signed by INTEGRATED, evidencing that service was requested by Subscriber. Only communication software is covered by service. It shall be Subscriber's sole responsibility to maintain the communication hardware and subscriber's alarm equipment and system in working order.

16. **ALTERATION OF PREMISES FOR INSTALLATION:** INTEGRATED is authorized to make preparations such as drilling holes, driving nails, making attachments or doing any other thing necessary in INTEGRATED's sole discretion for the installation and service of the security system, and INTEGRATED 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.

17. **SUBSCRIBER'S DUTY TO SUPPLY ELECTRIC AND TELEPHONE SERVICE:** Subscriber agrees to furnish, at Subscriber's expense, all 110 Volt AC power and electrical outlets and receptacles, internet connection, high speed broadband cable or DSL and IP Address, telephone hook-ups, RJ31x Block or equivalent, as deemed necessary by INTEGRATED.

18. **LIEN LAW:** INTEGRATED or any subcontractor engaged by INTEGRATED 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.

19. **INDEMNITY/WAIVER OF SUBROGATION RIGHTS/ASSIGNMENTS:** Subscriber agrees to indemnify and hold harmless INTEGRATED, 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 INTEGRATED's performance, negligence or failure to perform any obligation under this agreement. Parties agree that there are no third party beneficiaries of this contract. Subscriber on its behalf and any insurance carrier waives any right of subrogation Subscriber's insurance carrier may otherwise have against INTEGRATED or INTEGRATED'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 INTEGRATED. INTEGRATED shall have the right to assign this contract and shall be relieved of any obligations herein upon such assignment.

20. **EXCULPATORY CLAUSE:** INTEGRATED and Subscriber agree that INTEGRATED is not an insurer and no insurance coverage is offered herein. The security equipment is designed to reduce certain risks of loss, though INTEGRATED does not guarantee that no loss will occur. INTEGRATED is not assuming liability, and, therefore shall not be liable to Subscriber for any loss, personal injury, data corruption or inability to retrieve data, or property damage sustained by Subscriber as a result of 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 INTEGRATED's negligent performance, failure to perform any obligation or strict products liability. Subscriber releases INTEGRATED from any claims for contribution, indemnity or subrogation.

21. **INSURANCE:** The Subscriber shall maintain a policy of public liability, property damage, burglary and theft insurance under which INTEGRATED and the Subscriber are named as insured, and under which the insurer agrees to indemnify and hold INTEGRATED harmless from and against all costs, expenses including attorneys' fees and liability arising out of or based upon any and all claims, injuries and damages arising under this agreement, including, but not limited to, those claims, injuries and damages contributed to by INTEGRATED's negligent performance to any degree or its failure to perform any obligation. The minimum limits of liability of such insurance shall be one million dollars for any injury or death, and property damage, burglary and theft coverage in an amount necessary to indemnify Subscriber for property on its premises. INTEGRATED 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.

22. **LIMITATION OF LIABILITY:** Subscriber agrees that should there arise any liability on the part of INTEGRATED as a result of INTEGRATED's negligent performance to any degree of failure or perform any of INTEGRATED's obligations or equipment failure, or strict products liability, that INTEGRATED's liability shall be limited to the sum of \$250.00 or 5% of the sales price, whichever is greater. If Subscriber wishes to increase INTEGRATED's amount of limitation of liability, Subscriber may, as a matter of right, at any time, by entering into a supplemental contract, obtain a higher limit by paying an annual payment consonant with INTEGRATED's increased liability. This shall not be construed as insurance coverage.

23. **LEGAL ACTION:** In the event INTEGRATED refers this contract to an attorney, to recover any amounts owed by Subscriber to INTEGRATED hereunder, the parties agree that the amount to be recovered, and any judgment to be entered, shall include interest at the rate of 1 1/2% per month from the date payment is due and Subscriber shall pay INTEGRATED's legal fees. In any action commenced by INTEGRATED against Subscriber, Subscriber shall not be permitted to interpose any counterclaim. This agreement shall be governed by the laws of the State of Illinois. The parties agree that the courts of the State of Illinois shall have exclusive jurisdiction over the parties hereto regarding any dispute between them and INTEGRATED and Subscriber submits to the jurisdiction of the State of Illinois. Subscriber submits to the jurisdiction of Illinois and agrees that any litigation between the parties must be commenced and maintained exclusively in the State of Illinois and in the County where INTEGRATED's principal place of business is located. The parties waive trial by jury in any action between them. Any action by Subscriber against INTEGRATED must be commenced within one year of the accrual of the cause of action or shall be barred. All actions or proceedings against INTEGRATED must be based on the provisions of this agreement. Any other action that Subscriber may have or bring against INTEGRATED 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.

24. **INTEGRATED'S RIGHT TO SUBCONTRACT SPECIAL SERVICES:** Subscriber agrees that INTEGRATED is authorized and permitted to subcontract any services to be provided by INTEGRATED to third parties who may be independent of INTEGRATED, and that INTEGRATED 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, except that INTEGRATED shall not obligate Subscriber to make any payments to such third parties. Subscriber appoints INTEGRATED to act as Subscriber's agent with respect to such third parties, except that INTEGRATED shall not obligate Subscriber to make any payments to such third parties. Subscriber acknowledges, that this agreement, and particularly those paragraphs relating to INTEGRATED's disclaimer of warranties, exemption from liability, even for its negligence, limitation of liability and third party indemnification, inure to the benefit of and are applicable to any assignee, subcontractors and communication centers of INTEGRATED.

25. **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 INTEGRATED for any fines relating to permits or false alarms. INTEGRATED 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 contract shall nevertheless remain in full force and Subscriber shall remain liable for all payments provided for herein. Should INTEGRATED be required by existing or hereinafter enacted law to perform any service or furnish any material not specifically covered by the terms of this agreement Subscriber agrees to pay INTEGRATED for such service or material.

26. **SECURITY INTEREST/COLLATERAL:** To secure Subscriber's obligations under this agreement Subscriber grants INTEGRATED a security interest in the security equipment installed by INTEGRATED and INTEGRATED is authorized to file a financing statement.

27. **FULL AGREEMENT/SEVERABILITY/ CONFLICTING DOCUMENTS.** This agreement constitutes the full understanding of the parties and may not be amended or modified or canceled except in writing signed by both parties, except INTEGRATED requirements regarding items of protection provided for in this agreement imposed by Authority Having Jurisdiction. Should there arise any conflict between this agreement and Subscriber's purchase order or other document, this agreement will govern, whether such purchase order or document is prior to or subsequent to this agreement. Should any provision of this agreement be deemed void, all other provisions will remain in effect.

BUYER ACKNOWLEDGES RECEIVING A FULLY EXECUTED COPY OF THIS 3 PAGE CONTRACT AT TIME OF EXECUTION. INTEGRATED SECURITY SPECIALISTS, INC.:

By: _____

Subscriber
Signature: _____

Its: _____

Print Name: _____

Date: _____

Date: _____

License #127-001410