

Alarm Center: (800) 752-2490

IntelliSystems, Inc.

PO Box 592

Port Orchard, WA 98366

(360) 895-7995

Account #: _____

CENTRAL OFFICE MONITORING CONTRACT

Agreement dated: _____, by and between IntelliSystems Inc. (hereinafter referred to as "ISI") and

_____ (hereinafter referred to as "Subscriber" or "Buyer"). Premises where communication software is installed:

Phone: _____

Property of **ISI**: **ISI** shall lease, install, program and service in the premises of the Subscriber, communication software, which together with lawn signs and decals, shall remain the sole personal property of **ISI** 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 **ISI**. If communication equipment is part of the instrument panel then the chip or software programmed to transmit a signal shall be leased, remains **ISI**'s property, and reference in this agreement to communication software shall be deemed to read chip or software. Passcode to the CPU software remains the property of **ISI**. Provided Subscriber performs this agreement for the full term thereof, upon termination **ISI** shall at its option provide the Subscriber the passcode to the CPU software or change the passcode to the manufacturer's default code.

2. DESCRIPTION OF SERVICE AND EQUIPMENT VALUE:

Initial service provided: Monitoring _____ Value of installed software is: \$ _____

Approximate date of installation: _____ Estimated date for completion: _____

3. INSTALLATION, RENTAL, AND SERVICES CHARGES: Subscriber agrees to pay ISI:

a) The Sum of \$ _____, plus tax for the installation of the communication software and equipment. The balance of payments for the term of this agreement are due upon execution of this agreement.

b) The sum of \$ _____, per month, payable _____ in advance for the monitoring of the equipment installed for the term of this agreement commencing on the first day of the next month succeeding the date hereof, and continuing monthly thereafter, all payments due on the first of the month.

4. TERM OF AGREEMENT: RENEWAL: The term of this agreement shall be for a period of three months and shall automatically renew for three months under the same terms and conditions, unless either party gives written notice to the other by certified mail, return receipt requested, of the intention not to renew the contract at least 30 days prior to the expiration of any term. **ISI** shall be permitted to increase the monitoring charges provided herein at any time after the expiration of one year from the date hereof, upon giving notice to the Subscriber, to rescind the increase or to terminate this agreement as if the full term had expired, and the Subscriber shall be relieved of any obligation to pay charge after said date. **ISI** or Subscriber may cancel this contract by giving 30 days written notice to the other with service or monitoring fees refunded and prorated.

5. CENTRAL OFFICE MONITORING: Upon receipt of a signal from the communication software, **ISI** 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 **ISI** or **ISI**'s designee communication center and **ISI** does not assume any responsibility for the manner in which the 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 **ISI** and, therefore, **ISI** shall not be responsible for any failure which prevents transmission signals from the central office monitoring center or damages arising therefrom.

Subscriber agrees to furnish **ISI** 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 **ISI** in writing.

Subscriber authorizes **ISI** to access the control panel to input or delete data and programming. If the equipment contains listening devices permitting the central office to monitor sound then upon receipt of an alarm signal central office shall monitor sound for as long as central office in its sole discretion deems appropriate to confirm an alarm condition.

If Subscriber requests that **ISI** to remotely activate or deactivate the system, change combinations, openings or closings, or re-program system functions, Subscriber shall pay **ISI** \$50.00 for each such service.

6. NO WARRANTIES OR REPRESENTATIONS: SUBSCRIBER'S EXCLUSIVE REMEDY: **ISI** does not represent nor warrant the security equipment or fire alarm system and central office monitoring will prevent any loss, damage or injury to person or property, by reason of burglary, theft, hold-up, fire or other cause, or that the security equipment or the fire alarm system will in all cases provide the protection for which it was installed or intended. Subscriber acknowledges that **ISI** is not an insurer, and the Subscriber assumes all risk for loss or damages to the Subscriber's premises or its contents. **ISI** has made no representations or warranties, and hereby disclaims all warranties and merchantability or fitness for any particular use. Subscriber's exclusive remedy for **ISI** default hereunder is to require **ISI** to repair, or to replace at **ISI**'s option, any equipment covered by this agreement which is non-operational.

7. EXCULPATORY CLAUSE: The parties agree that **ISI** is not an insurer and no insurance coverage is offered herein. Subscriber's payments to **ISI** are for the installation, rental, service and monitoring of the communication software designed to reduce certain risks of loss, though **ISI** does not guarantee that no loss will occur. **ISI** is not assuming any liability and therefore shall not be liable to Subscriber for any loss or damages sustained by Subscriber as a result of burglary, theft, hold-up, fire, equipment failure, or any other cause, whatsoever, regardless whether such loss or damage was caused by or contributed to by **ISI**'s negligent performance or failure to perform any obligation. Lessee releases from any claims for contribution, indemnity, or subrogation.

8. LIMITATION OF LIABILITY: The parties agree that the security equipment or fire alarm system is not designed or guaranteed to prevent any loss by burglary, theft, and other illegal acts of third parties, or loss by fire, smoke, water or any other cause. If notwithstanding the terms of this agreement, there should arise any liability on the part of **ISI** a result of burglary, theft, hold-up, smoke, or any other cause whatsoever regardless whether the loss, damage, or personal injury was caused by or contributed by **ISI** negligence to any degree or failure to perform any obligation, such as liability will be limited to an amount equal to one half the yearly payment paid by the Subscriber at the time such liability is fixed, or to the sum of \$250.00, whichever is greater. If Subscriber wishes to increase **ISI** maximum amount of such limitation of liability, Subscriber may, as a matter of right, at any time, by entering a supplemental agreement, obtain from **ISI** a higher limit by paying an additional amount consonant with the increase of liability. This shall not be construed as insurance coverage.

9. LIQUIDATED DAMAGES: The parties agree that in the event Subscriber suffers damages as a result of **ISI**'s negligence to any degree or failure to perform any obligation, it would be impractical and extremely difficult to anticipate or fix actual damages. Therefore Subscriber agrees that should there arise any liability on the part of **ISI**, Subscriber agrees to accept \$250.00, or the amount provided in paragraph 8, whichever is greater, as liquidated damages in complete satisfaction of such liability and **ISI** is released and discharged from any further liability.

10. CARE OF EQUIPMENT: Subscriber agrees not to tamper with, remove or otherwise interfere with the communication software which shall remain in the same location as installed and Subscriber agrees to bear the cost of repairs or replacement made necessary as a result of any painting, alteration, remodeling or damage, including damage caused by unauthorized intrusion to the premises, lightning or electrical surge, except for ordinary wear and tear, in which even repair or replacement shall be made by **ISI** without any additional charge.

SEE REVERSE SIDE FOR ADDITIONAL TERMS AND CONDITIONS OF THIS CONTRACT.

READ THEM BEFORE YOU SIGN THIS CONTRACT.

BUYER ACKNOWLEDGES RECEIVING A FULLY EXECUTED COPY OF THIS CONTRACT AT TIME OF EXECUTION.

IntelliSystems, Inc.

BY: _____

Subscriber (signature)

DATE

Print Name

Address

Tax ID (SS# or EIN)

Type and jurisdiction of organization and ID, if any

YOU THE BUYER, MAY CANCEL THIS CONTRACT AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY OF THIS TRANSACTION SEE ATTACHED NOTICE OF CANCELLATION FORM FOR AN EXPLANATION OF THIS RIGHT.

11. ALTERATION OF PREMISES FOR INSTALLATION: **ISI** is authorized to make such preparations such as drilling holes, driving nails, making attachments or doing any other thing necessary in **ISI**'s sole discretion for the installation and service of the communication software, and **ISI**'s shall not be responsible for any condition created thereby as a result of such installation, service, or removal of the communication software, and Subscriber represents that the owner of the premises, if other than Subscriber, authorizes the installation of the communication software 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 outlets, receptacles, telephone hook-ups, RJ31 Block or equivalent, as deemed necessary by **ISI** in its sole discretion.

13. TESTING AND SERVICE OF COMMUNICATION SOFTWARE: The parties hereto agree that the communication software, once installed, is in the exclusive possession and control of the Subscriber, and the Subscriber's sole responsibility to test the operation of the communication software and to notify **ISI** if it is in need of repair. **ISI** shall not be required to service the communication software if Subscriber is in default and unless it has received notice from Subscriber, and upon such notice, **ISI** 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 8:00 a.m. and 5:00 p.m. Any repair or other services provided by **ISI** to Subscriber's alarm or security equipment shall be at **ISI**'s option on a per call request by Subscriber, and Subscriber shall pay for such labor and material at time of 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 that Subscriber complies with the terms of this agreement and **ISI** fails to repair the communication software within 36 hours after notice is given, excluding Saturdays, Sundays, and legal holidays, Subscriber agrees to send notice that the communication software is in need of repair to **ISI**, in writing, by certified or registered mail, return receipt requested and Subscriber shall not be responsible for payments due while the security equipment remains inoperable. If **ISI** fails to repair the communication software within 48 hours after receipt of said notice, Subscriber shall not be obligated to pay any amount for the communication software from the date said notice is given, until the communication software is restored to working order. 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 **ISI**, 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 software in working order.

14. LEGAL ACTION: The parties agree that due to the nature of the services provided by **ISI**, the payments to be made by the Subscriber for the term of this agreement pursuant to paragraph 3(b) form an integral part of **ISI**'s anticipated profits; that in the event of Subscriber's default it would be difficult if not impossible to fix **ISI**'s actual damages. Therefore, in the event Subscriber defaults in the payment of any charges to be paid to **ISI**, 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 **ISI** shall be permitted 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, **ISI** may at its option remove its software or deem same sold to Subscriber for 80 % of the amount specified as the value of equipment in addition to the liquidated damages provided herein. Should **ISI** prevail in any litigation between the parties Subscriber shall pay **ISI**'s legal fees. The parties waive trial by jury in any action between them. In any action commenced by **ISI** against Subscriber, Subscriber shall not be permitted to interpose any counterclaim. Any action by lessee against **ISI** must be commenced within thirteen months of the accrual of the cause of action or shall be barred. All actions or proceedings against **ISI** must be based on the provisions of this agreement. Any other action that lessee may have or bring against **ISI** 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. Any action or dispute between the parties, including issues of arbitrability, shall, at the option of either party, be determined by arbitration administered by the National Arbitration Association. Under its Commercial Arbitration Rules. www.natarb.com

15. DELAY IN INSTALLATION: **ISI** shall not be liable for any damages or loss sustained by Subscriber as a result of delay in installation of equipment, equipment failure or for the interruption of service due to electric failure, strikes, walk-outs, acts of God, or other causes, including **ISI**'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.

16. SUBSCRIBER TO INSURE SOFTWARE: Subscriber shall insure **ISI**'s software against fire and casualty and Subscriber agrees to name **ISI** in said insurance policy as "loss payee" to the extent of the value of the software as set forth herein above, Subscriber shall be responsible for any loss occasioned by fire or casualty and the cost of replacing or restoring the security equipment or fire alarm system. Notwithstanding the condition of Subscriber's premises, or **ISI**'s impossibility of performance occasioned by condition of Subscriber's premises, Subscriber shall remain liable for monthly payment for the term of this agreement without offset or reduction.

17. INSURANCE: The Subscriber shall maintain a policy of public liability, property damage, burglary and theft insurance under which **ISI** is named as insured, and under which the insurer agrees to indemnify and hold **ISI** harmless from and against all costs, expenses including attorney's fees and liability arising out of or based upon claims, injuries and damages arising under this agreement, including but not limited to, those claims, injuries and damages contributed to by **ISI**'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. **ISI** 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 damage against which the Subscriber is indemnified or insured.

18. INDEMNITY/WAIVER OF SUBROGATION RIGHTS/ASSIGNMENTS: Subscriber agrees to and shall indemnify and hold harmless **ISI**, its employees, agents, and subcontractors, from and against all claims, lawsuits, including those brought by third parties or Lessee including reasonable attorney's fees and losses, asserted against and alleged to be caused by **ISI**'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 any otherwise against **ISI** or **ISI** 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 **ISI**. **ISI** shall have the right to assign this contract and shall be relieved of any obligation herein upon such assignment. **ISI** shall be permitted to assign this contract and upon such assignment shall have no further obligation hereunder.

19. FALSE ALARMS: **ISI** Shall have no liability for false alarm fines, police response, or refusal of the police to respond. In the event of termination of police response by municipal police this contract shall nevertheless remain in full force and Subscriber shall remain liable for all payments provided herein. Should **ISI** be required by existing or hereinafter enacted by law to perform any service or furnish any material not specifically covered by the terms of this agreement Subscriber agrees to pay **ISI** for such service or material.

20. **ISI**'S RIGHT TO SUBCONTRACT SPECIAL SERVICES: Subscriber agrees that **ISI** is authorized and permitted to subcontract any services to be provided by **ISI** to third parties who may be independent of **ISI**, and that **ISI** 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, and Subscriber appoints **ISI** to act as Subscriber's agent with respect to such third parties, except that **ISI** shall not obligate Subscriber to make any payments to such third parties. Subscriber acknowledges that this agreement, and particularly those paragraphs relating to **ISI**'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 assignee, subcontractors and communication centers of **ISI**.

21. PERSONAL EMERGENCY RESPONSE: If personal emergency response is specified as a service to be provided, upon receipt of an alert signal, **ISI** or its subcontractor shall as soon as may be practicable, make every reasonable effort to notify by telephone those persons designated by Subscriber or the appropriate municipal police or fire department providing emergency medical service. Subscriber acknowledges that **ISI** provides no response to a personal emergency signal except notification to the appropriate party, and that the provisions of this agreement exculpating and limiting **ISI** liability are fully applicable to the personal emergency service.

22. NON-SOLICITATION: Subscriber agrees that it will not solicit for employment for itself, or any other entity, or employee of **ISI** assigned by **ISI** to perform any service for or on behalf of Subscriber for a period of two years after **ISI** has completed providing service to Subscriber. In the event of Subscriber's violation of this provision, in addition to injunctive relief, **ISI** shall recover from Subscriber an amount equal to such employee's salary based on the average three months preceding employee's termination of employment with **ISI**, times twelve, together with **ISI**'s counsel and expert witness fees.

23. SECURITY INTEREST/COLLATERAL: To secure Subscriber's obligation under this agreement Subscriber grants **ISI** security interest in its inventory, furnishings, equipment, receivables, cash and other personalty, tangible, located at the location where the security equipment or fire alarm system is to be installed and **ISI** is authorized to file a financing statement.

24. FULL AGREEMENT/SEVERABILITY/CONFLICTING DOCUMENTS: This agreement constitutes a full understanding of the parties and may not be amended or modified or canceled except in writing signed by both parties, except that in the event that **ISI** issues a UL certificate to Lessee, **ISI** will comply with Underwriters Laboratory Inc. requirements regarding items of protection provided for in this agreement. Should there arise any conflict between and Lessee's purchase order or other document, this agreement will govern, whether such purchase order or document is prior to our subsequent to this agreement, Should any provision of this agreement be deemed void, the remaining parts shall not be effected.