

Security System and Services Agreement Addendum



Alarm Company ("Alarm Co"):
Alarm Detection Systems, Inc.
1111 Church Road Aurora, IL 60505-1905
(630) 844-6300 IL Lic. No. 127-000143

Subscriber ("Sub"):

THIS ADDENDUM ("RIDER") made on _____ is part of an agreement dated _____ currently in effect between Alarm Co and Sub (herein the "Agreement"). Additional or changed systems, components, or services are as follows:

The Sub agrees to pay Alarm Co, its agents or assigns, the additional amounts:

(A) One Time Charge \$ _____ (B) Ongoing Monthly Charge \$ _____

IT IS UNDERSTOOD AND AGREED THAT IF ANY AUTHORITY HAVING JURISDICTION REQUIRES ANY CHANGES AND/OR PERMIT FEES TO THE ABOVE SYSTEM, IT WILL BE AT ADDITIONAL EXPENSE TO THE SUB.

SUB ACKNOWLEDGES AND AGREES THAT THE SUB HAS READ, UNDERSTANDS AND AGREES TO THE ADDITIONAL TERMS AND CONDITIONS CONTAINED ON THE REVERSE SIDE WHICH ARE A PART OF THIS ADDENDUM AND, IF THE SUB TRANSMITS, FAXES OR SCANS AND E-MAILS THE SIGNED FRONT SIDE OF THIS ADDENDUM TO ALARM CO WITHOUT THE REVERSE SIDE, SUB IS NONETHELESS BOUND BY THE TERMS AND CONDITIONS ON THE REVERSE SIDE.

THE AGREEMENT AS AMENDED BY THIS ADDENDUM SHALL REMAIN IN FULL FORCE AND EFFECT FOR A PERIOD OF FIVE YEARS FROM THE DATE ON WHICH THE MONTHLY CHARGES OR TIME AND MATERIAL CHARGES UNDER THIS RIDER BECOME EFFECTIVE, AND THEREAFTER SHALL AUTOMATICALLY RENEW FOR SUCCESSIVE TERMS EQUAL TO THE INITIAL TERM. THE AGREEMENT IS TERMINABLE BY EITHER PARTY UPON WRITTEN NOTICE BY REGISTERED OR CERTIFIED MAIL, MADE AT LEAST THIRTY DAYS PRIOR TO THE END OF THE INITIAL TERM OR ANY RENEWAL TERM.

Sales Representative – Alarm Co

Officer – Alarm Co

Sub Signature
Date

Sub Printed Name

1. The limitation of liability and the other terms and conditions in the original Agreement are amended by the additional and modified terms and conditions in this Addendum and extended to cover this additional service and all Alarm Co equipment and services at all Sub locations.

2. Alarm Co will have the right to install transmitting and receiving equipment in the telephone or mechanical equipment room and on the roof or top of Sub's buildings or structures.

3. When Alarm Co takes over rendering services to Sub in whole or in part at the request of Sub, or as a result of the acquisition of Sub from another alarm company, Alarm Co shall have no duty to test signaling unless Alarm Co reprograms or installs new monitoring equipment. Alarm Co will then test one signal of each type to be monitored (e.g., burglar, hold up, fire alarm, fire trouble, fire supervisory).

4. Unless specifically requested to do so in writing by Sub, Sub has no expectation and Alarm Co has no duty to (A) perform a partial or complete System test during any service visit, whether to reprogram control, repair a defect or at any other time, or (B) re-engineer System or verify its compliance to current code even when System of Sub, through the passing of time, changes in the code or otherwise, is not code compliant.

5. Internet, cellular or radio service used as a primary or secondary communications path are all subject to transmission interruptions. Cellular or radio signaling may be interrupted by atmospheric conditions or jamming and internet service may be adversely affected by line cut, Internet traffic, computer maintenance or other conditions beyond the control of Alarm Co which may prevent or delay alarm signal transmission to CS.

6. Sub understands that Sub's System and transmitting equipment are not infallible and may fail to generate the intended signals and, irrespective of the communications equipment or service used, the communication of data from the System may be interrupted, cut off, circumvented or otherwise compromised. During an outage, signals will not be received by the CS nor may CS have any reliable notification that such outage exists. Sub further understands that all communication services are probabilistic by their nature, and acknowledges that multiple types of communications equipment and redundant services are available at additional cost to increase system reliability and the likelihood of signals being successfully communicated to CS.

7. It is Sub's sole responsibility to (A) routinely test and confirm that the Sub's communications equipment and services used to transmit data to CS remain functional with System, especially when there are any changes to such communications equipment or services; (B) immediately after the installation of DSL, Voice over Internet (VOIP) or other broadband service, test the System's signal transmission with CS because such change may prevent the System from sending alarm signals to CS, and (C) test the System, including testing any motion detectors, any other electronic equipment, the communications equipment and service periodically, at least monthly, and shall immediately report to Alarm Co any problem with System.

8. Sub acknowledges and agrees that both Sub and Alarm Co are required to comply with all laws, rules and regulations regarding monitoring and alarm response enacted or adopted by the AHJ. The CS may modify or discontinue any particular response service due to governmental or insurance requirements by giving Sub notice. If alarm signal is transmitted to an Other CS, policies and procedures are determined by that entity. Upon receipt of an alarm signal at Alarm Co CS from Sub's premises, CS is authorized by Sub to first make calls to Sub or its representatives to attempt to verify whether or not an emergency condition exists. If CS believes that an emergency condition may exist, CS will then make a reasonable effort to notify police, sheriff, fire department or other authority having jurisdiction (AHJ). CS shall make a reasonable effort to notify Sub or its designated representative by telephone or other means unless runner service or private runner is provided or CS has been instructed to do otherwise by Sub. If AHJ has a physical on-site verification requirement, upon receipt of alarm signal, CS will not notify the AHJ and shall only attempt to notify Sub's designated representative or, if subscribed to by Sub, a private responder in accordance with written instructions from Sub. If private responder notifies CS that an emergency condition has been observed, CS will then notify the AHJ.

9. Should Sub's representative fail to respond within thirty (30) minutes to an alarm with an outside ringer which is causing a disturbance, or an alarm which is constantly transmitting signals to the CS, Sub authorizes Alarm Co to use its discretion to gain entry to building with whatever method is required, including forcible entry, and remedy malfunction on behalf of Sub.

10. Upon Sub's failure to pay any sums due Alarm Co under this Agreement, or upon termination of service by Sub or Alarm Co, Alarm Co may terminate its obligations under this Agreement and remove any Alarm Co owned radio equipment, wiring and apparatus from Sub's premises or alternately abandon all or any portion of the System. If Sub does not permit Alarm Co to recover all Alarm Co owned radio, equipment, wire and apparatus, monthly charges will be continued solely as a rental fee for such equipment (with no other services to be provided by Alarm Co) until Alarm Co is allowed to recover its equipment. Alarm Co will have no obligation to repair or redecorate any portion of Sub's premises due to the removal of Alarm Co's System. At such time, all charges incurred under the terms of this Agreement, up to cancellation date, shall immediately become due and payable. In addition, the parties agree that it would be very difficult, if not impossible, to ascertain actual damages for any breach of Agreement by Sub, and the parties agree that Sub shall immediately pay to Alarm Co, upon any breach, or upon premature cancellation of service by Sub, as and for liquidated damages, the sum of seventy-five percent (75%) of any charges remaining to be paid under the terms and life of this Agreement. The parties further agree that Sub shall pay all court costs, collection fees and reasonable attorney's fees of thirty-three and one-third percent (33 1/3%) of all monies remaining to be paid under this Agreement, if Alarm Co places this Agreement in the hands of an attorney for collection.

11. LIMITATION OF LIABILITY It is understood and agreed: That Alarm Co and its directors, officers, shareholders, agents, assigns, employees, or independent contractors providing portions of the installation or services for Sub (including, but not limited to, signal carriers, telephone companies, municipal agencies, monitoring providers), all hereinafter referred to as "Others," are not an insurer; that insurance covering all loss, damage, and expense arising out of or from, in connection with, related to, as a consequence of or resulting from this Agreement, shall be obtained and continuously maintained by Sub; that payments provided for herein are based solely on the value of System and services as set forth herein and

are unrelated to the value of Sub's property or property of others located on Sub's premises; that Alarm Co and Others make no guarantee, representation or warranty, including any implied warranty of merchantability or fitness that System or services supplied may not be compromised or circumvented, or that System or services will in all cases provide signaling, monitoring and response for which it was intended; that Sub is not relying on Alarm Co's skill or judgment in selecting or furnishing a System or service suitable for any particular purpose.

Sub understands and agrees that the liability of Alarm Co and Others for all loss, damage or expense which may occur prior to, contemporaneously with, or subsequent to execution of this Agreement due to improper installation, operation or non-operation of System or services (including, without limitation or example, communications equipment or services necessary to transmit to or receive any data at the CS) is expressly limited as set forth herein. Should there arise any liability on the part of Alarm Co or Others for any damages of any kind, including, without limitation, economic losses, personal injury, death, or property damage (real or personal) which is in connection with, arises out of or from, results from, is related to or is a consequence of the active or passive sole, joint or several negligence of any kind or degree (including gross negligence) of Alarm Co or Others including, without limitation, acts, errors or omissions which occur prior to, contemporaneously with or subsequent to execution of this Agreement, or breach of this Agreement, or any claim brought in product or strict liability, subrogation, contribution or indemnification, whether in contract, tort or equity, including, without limitation, any general, direct, special, incidental, exemplary, punitive, statutory or consequential damages, irrespective of cause, such liability shall be limited to the maximum sum of 10% of the annual service charge or \$2,000.00, whichever is greater, collectively for Alarm Co and Others, as liquidated damages and not as a penalty as Sub's exclusive remedy.

In the event that Sub wishes Alarm Co or Others to assume greater liability, Sub may, as a matter of right, obtain from Alarm Co a higher limit by paying an additional amount proportionate to the increase in exposure assumed by the Alarm Co, but Sub expressly and explicitly acknowledges that such additional sum(s) paid and obligation(s) undertaken shall in no event make Alarm Co or Others insurers. This limitation of liability covers all Alarm Co supplied equipment and services, including monitoring, at all of Sub's locations. Sub acknowledges that additional premises protection and a higher level of security for alarm signal transmission to the CS is available at additional cost to Sub.

12. INDEMNIFICATION If anyone other than Sub asks Alarm Co or Others to pay for any harm or damages (including property damage, personal injury or death) connected with or resulting from (i) a failure of the System or services, (ii) Alarm Co's or Other's own negligence, (iii) any other improper or careless activity of Alarm Co or Others in providing the System or services or (iv) a claim for indemnification or contribution, Sub will repay, respectively, to Alarm Co or Others (a) any amount which a court orders Alarm Co or Others to pay or which Alarm Co or Others reasonably agree to pay, and (b) the amount of Alarm Co's or Other's reasonable attorney's fees and any other losses and costs that Alarm Co or Others may pay in connection with the harm or damages. Sub's obligation to repay Alarm Co or Others for such harm or damages shall not apply if the harm or damages happens while one of either Alarm Co's or Other's employees or subcontractors are in or about the protected premises, and such harm or damages is solely caused by that employee or subcontractor. Sub hereby releases Alarm Co and Others for losses, damages and expenses (i) covered by Sub's insurance policies, (ii) policy deductibles, co-pay percentage, or retained limits, (iii) in excess of amounts paid by Sub's insurance, and (iv) due to underinsurance.

13. WAIVER OF SUBROGATION Sub hereby waives all claims for recovery against Alarm Co or Others for any loss or damage to any of Sub's property insured under valid or collectible insurance policies. This waiver of subrogation rights shall extend to all forms of subrogation, including but not limited to equitable and conventional subrogation, and shall be binding on any and all assignees or subrogees of Sub's rights. Sub agrees to shift the risk of loss to its insurers who have expressly contracted to accept the risk of loss as to Sub's property. Sub expressly and explicitly acknowledges that its insurers have undertaken said risk of loss as to its property and that those insurers have charged Sub a fee or premium commensurate with that undertaking of risk of loss. Sub will notify its insurance company of this release.

14. All verbal or written communication between the parties which occurred prior to the date of this Agreement are merged into terms of this Agreement and the entire agreement of the parties is expressed hereinabove and no verbal understandings or agreement shall alter, change or modify the terms and provisions of this Agreement except that additional protection offered by Alarm Co to Sub remains available subject to current pricing. Sub is not relying on any advice or advertisement of Alarm Co. In the event that any provision of this Agreement is found to be unenforceable, all other terms shall remain in full force and effect. It is understood and agreed that if there is any conflict between this Agreement and Sub's purchase order, or any other Sub document, this Agreement will govern whether such purchase order or other document is executed prior or subsequent to this Agreement and that any work performed under any Sub construction-type contract or purchase order is subject to the terms and conditions of this Agreement. Alarm Co may assign this Agreement without prior notice or consent of Sub; however, Sub may not assign this Agreement unless such assignment is consented to in writing by Alarm Co. Sub further agrees that this Agreement becomes effective only upon either (i) an officer of Alarm Co signing a copy of this Agreement or (ii) Alarm Co commences the work to be performed under this Agreement. Sub further acknowledges that Sub may not receive a copy of Agreement signed by an officer of Alarm Co and that lack of such a receipt shall not, in any way, invalidate or otherwise affect this Agreement. This Agreement is deemed executed in Kane County, Illinois, shall be governed by Illinois law and venue shall be exclusive in the Circuit Court of Kane County, Illinois should any dispute between Alarm Co and Sub be litigated. **The parties hereby waive any objection they may have to jurisdiction or venue of any such suit, and further waive trial by jury in any action between them. No suit or action shall be brought against Alarm Co or Others more than one year after the accrual of the cause of action.** In any action commenced by Alarm Co against a non-residential Sub, Sub shall not be permitted to interpose any counterclaim. The interpretation of this Agreement shall not be construed against the drafter. If Sub moves, Sub may move the alarm service to Sub's new location upon the payment of reasonable costs incurred in transferring the System to the new location. All terms contained in this Agreement will remain in full force and effect and Sub will continue to be liable for the remaining period under terms of this Agreement.