

TERMS AND CONDITIONS OF AGREEMENT

I. INTRODUCTORY PROVISION

This Alarm Monitoring Agreement (hereinafter called this "Agreement") is entered into the date of acceptance thereof by the Company between the Company and the Subscriber indicated on the front page of this Agreement.

II. MONITORING SERVICE

A. Subscriber has furnished Company on the front page of this Agreement under heading "Authorized individuals To Be Notified" with a written list, in order of priority, of the names and telephone numbers (hereinafter called "station" in the singular, and "stations" in the plural) of those responsible parties Subscriber designates Company notify (in sequence until contact is made) if Company receives any emergency signal emanating from an alarm protective device (hereinafter called "alarm devices") located on the premises of Subscriber as described under heading "Location of Alarm Devices" on the front page of this Agreement (hereinafter called the "Premises"). Company shall have no responsibility for the failure, neglect or refusal of any party at a station to respond to the condition nor for errors or mistakes made by the Subscriber in the names or telephone numbers of the stations. All changes and revisions to stations shall be supplied to Company in writing, signed by Subscriber and shall be effective only after a reasonable time (but not less than 5 days) after the notification is received by Company.

B. Company shall only monitor the occurrence of conditions and events marked under heading "Conditions Monitored" on the front page of this Agreement; and Company disclaims (and Subscriber accepts that Company is disclaiming) any obligation to monitor the occurrence of any other conditions on the premises. Company agrees only (I) to monitor signals to Company from alarm devices of Subscriber, (II) to respond to an alarm condition by a direct telephone call to a station or stations designated by the Subscriber, and (III) to notify the local authorities (depending on the alarm condition reported) by direct telephone call to the event the response received from the Subscriber's designated station so contacted is unsatisfactory in the sole discretion of Company (hereinafter, collectively, call the "Service"); provided, however that Company shall have absolute discretion to determine which appropriate local authorities are to be notified depending on the alarm condition reported; and further provided that Company shall not be required to give notification of an emergency signal from the alarm devices of Subscriber if Company has reasonable grounds to believe that an emergency condition does not exist.

C. This Agreement as to Subscriber shall become effective only when (I) Subscriber shall have provided all the information required, initial, sign and date the indicated places in the Agreement, (II) an authorized agent of Company shall have signed this Agreement after completion of the information on the front page required of Subscriber, (III) Company shall have accepted payment of the initial installment of the fee (as hereinafter defined) to be paid for the Service by Subscriber, and (IV) when the installer (or other qualified individual) of the alarm devices on the premises of Subscriber shall have sent an acceptable test signal received and acknowledge as acceptable by Company on the alarm devices of Subscriber which monitors the occurrence of conditions monitored.

III. SERVICE FEES AND RENEWAL

A. For the service required of Company under this Agreement, Subscriber agrees to pay Company the fee and manner likewise set forth on the front page of this Agreement. In the event, any installment of the fee is not paid within ten (10) days after due, Company may impose and collect from Subscriber a delinquency charge of 5% of the matured amount or \$5.00, whichever is more.

B. This Agreement shall be for the initial term set forth in the front page of this Agreement, and shall automatically renewed for successive like periods of time thereafter on the same terms and conditions (except for the fee and method of payment thereof Company) unless either Subscriber or Company shall have notified the other of its decision to the contrary at least thirty (30) days prior to the expiration of initial term or the next renewal period of this Agreement, as applicable. If, for any renewed period after the initial term, Company shall determine an increase in the fee is appropriate, or a change in the method of payment is proper, Company shall notify Subscriber prior to the expiration of the period for cancellation of this Agreement, with respect to the next renewal period, and if this Agreement is not so canceled by Subscriber, the new fee and new payment schedule shall be deemed accepted by Subscriber and shall be applicable during the next renewal period and all subsequent renewal periods until again changed in accordance with this Agreement.

C. Subscriber shall be in default under this Agreement (I) if Subscriber shall fail to comply with any term, provision or covenant of this Agreement, other than the payment of installment of the fee, and shall not cure such failure within ten (10) days after written notice thereof to Subscriber, or (II) to the extent permitted by law, if bankruptcy or insolvency proceedings are commenced against Subscriber.

D. Upon the occurrence of any of such events of default, Company shall have the option, in its sole discretion to, without any notice or demand whatsoever, (I) terminate this Agreement, discontinue the service to the Subscriber and recover then matured installments of the fee due from Subscriber and all other loss and damage with Company may suffer reason of such termination, including the cost of discontinuance of the Service to Subscriber in which case, Company shall be entitled to recover, in addition to the matured installments of the fee due, the fees due under this Agreement for the continued service. Pursuit by Company any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any damages accruing by Company by reason of the violation of any of the terms, provisions and covenants of this Agreement. Forbearance by Company to enforce one or more of the remedies herein provided upon default by Subscriber shall not be deemed or construed to constitute a waiver of such default.

IV. LIMITATION ON LIABILITY

A. Company owns none of the alarm devices located on the premises and has no responsibility for the condition and/or functioning thereof, and maintenance, repair, service, replacement or insurance of the alarm devices are not the obligation or responsibility of Company. After written notice (stating an effective date) to Subscriber, this Agreement may be suspended, in Company's sole discretion, should the alarm devices located on the premises become so disabled or so substantially damaged that further service to the Subscriber is reasonable impracticable. The Company has and assumes no liability for interruption of service due to strike, riots, floods, fires, casualty, failure of equipment, acts of god, or any other causes beyond the reasonable control of Company. Company will not be required to supply service to a subscriber while interruption of service to any such cause whether at the premises or the monitoring location of Company. Since signals from alarm devices to Company are usually received by means of the telephone system, Company shall not be responsible for interruption in service due to any telephone or telephone service failure. The availability of service and response times are, in the main, governed by the telephone system; and Company assumes no liability for delays caused by said system regardless of where such failure be located.

B. Subscriber is responsible for complying with any local or other governmental ordinances or laws which may require a license, permit, fee or other charge with respect to alarm devices. Subscriber understands that local governments or entities may impose fines, penalties or charges for any false alarm or signal which summons emergency aid unnecessarily. SUBSCRIBER AGREES TO ASSUME ALL RESPONSIBILITY FOR ANY FALSE ALARM OR EMERGENCY SIGNAL GIVEN BY THE ALARM DEVICES ON THE PREMISES. Subscriber agrees to indemnify Company against and hold Company harmless from any losses (as hereinafter defined) with respect thereto. If Company reasonably determines that the alarm devices of Subscriber are generating an excessive number of false alarms or emergency signals, Company may, after written notice to Subscriber, require Subscriber to pay a reasonable surcharge fee for processing false alarms or emergency signals, if Company determines in its sole discretion that excessive generation continues after such notice to Subscriber.

C. EVEN IF THE ALARM DEVICES OF SUBSCRIBER ARE TESTED REGULARLY AND THE COMPONENTS ARE OPERATING IN ACCORDANCE WITH SPECIFICATIONS, THERE CAN BE NO WARRANTY, REPRESENTATION OR GUARANTY THAT IT WILL NOT BE COMPROMISED OR CIRCUMVENTED BEFORE THE ALARM DEVICES COMMUNICATE AN EMERGENCY SIGNAL TO COMPANY OR THAT IT WILL PROVIDE ADEQUATE WARNING IN ANY GIVEN SITUATION. For all these reasons, Subscriber is responsible for insuring life and property with the types and amounts of insurance that Subscriber deems appropriate.

D. Company assumes no liability to Subscriber, or to anyone claiming through Subscriber whatsoever for the Service, except to the extent specified in paragraph E, below. Subscriber acknowledges and agrees that Company is not an insurer and that the fee is not designed to provide insurance coverage. COMPANY MAKES NO GUARANTY, REPRESENTATION OR WARRANTY, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE, TO SUBSCRIBER, THAT THE SERVICE WILL PREVENT LOSS OF LIFE, PERSONAL INJURY, PROPERTY DAMAGE, ECONOMIC OR ANY OTHER LOSS BY BURGLARY, ROBBERY, FIRE OR OTHERWISE, OR THAT THE SERVICE WILL IN ALL CASES PROVIDE ADEQUATE WARNING OR PROTECTION, NOR DOES COMPANY HAVE OR ASSUME ANY RESPONSIBILITY TO SUBSCRIBER, OR TO ANYONE CLAIMING THROUGH SUBSCRIBER, WHATSOEVER FOR ANY LOSS OF LIFE, PERSONAL INJURY, PROPERTY DAMAGE, ECONOMIC OR OTHER LOSS SUSTAINED AS A RESULT OF ANY CAUSE WHATSOEVER INCLUDING THE NEGLIGENT PERFORMANCE BY COMPANY OR FAILURE TO PERFORM BY COMPANY ANY OBLIGATION UNDER THIS AGREEMENT, IF COMPANY OR COMPANY'S RELATED PARTIES (AS THE TERM IS HEREINAFTER DEFINED) SHOULD, NEVERTHELESS, BE FOUND LIABLE TO SUBSCRIBER, OR TO ANYONE CLAIMING THROUGH SUBSCRIBER, WHETHER DIRECTLY OR INDIRECTLY, FOR LOSS OF LIFE, PERSONAL INJURY, PROPERTY DAMAGE, ECONOMIC OR OTHER LOSS ARISING UNDER OR RESULTING FROM THIS

AGREEMENT OR OTHERWISE, REGARDLESS OF CAUSE OR ORIGIN, ON ANY BASIS WHATSOEVER, EVEN IF THE RESULT OF THE NEGLIGENCE OF COMPANY AND/OR COMPANY'S RELATED PARTIES, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, ACTIVE OR PASSIVE, ORDINARY OR GROSS, COMPANY'S AND COMPANY'S RELATED PARTIES' COLLECTIVE TOTAL MAXIMUM LIABILITY IS LIMITED TO AND SHALL NOT IN ANY CASE EXCEED THE GREATER OF AN AMOUNT EQUAL TO ONE-HALF (1/2) THE FEE OR \$ 250.00, WHICH SHALL BE THE COMPLETE AND EXCLUSIVE REMEDY AGAINST COMPANY AND COMPANY'S RELATED PARTIES.

E. Subscriber acknowledges that it is impractical and extremely difficult to fix the actual damage, if any, which may proximately result from a failure by Company to perform any of the obligations contained in this Agreement, because of, among other things:

(1) the uncertain amount of value of a Subscriber's property or the property of others kept on the premises which may be lost, stolen, destroyed, damaged or otherwise effected by occurrences which the service is designed to detect or avert;

(2) the uncertainty of the response time of any police or fire department, should the police or the fire department be dispatched by company; and

(3) the inability to ascertain what portion, if any, of any loss would be proximately caused by Company's failure to perform. SUBSCRIBER UNDERSTANDS AND AGREES THAT IF COMPANY OR COMPANY'S RELATED PARTIES SHOULD BE FOUND LIABLE TO SUBSCRIBER OR TO ANYONE CLAIMING THROUGH SUBSCRIBER, WHETHER DIRECTLY OR INDIRECTLY, FOR ANY LOSS OF LIFE, PERSONAL INJURY, PROPERTY DAMAGE, ECONOMIC OR OTHER LOSS ARISING UNDER OR RESULTING FROM THIS AGREEMENT OR OTHERWISE, REGARDLESS OF CAUSE OR ORIGIN, ON ANY BASIS WHATSOEVER, EVEN IF THE RESULT OF THE NEGLIGENCE OF COMPANY AND/OR COMPANY'S RELATED PARTIES' COLLECTIVE TOTAL MAXIMUM LIABILITY TO SUBSCRIBER AND ANYONE CLAIMING THROUGH SUBSCRIBER IS LIMITED TO AND SHALL NOT IN ANY CASE EXCEED THE GREATER OF AN AMOUNT EQUAL TO ONE-HALF (1/2) THE FEE RECEIVABLE BY COMPANY UNDER THIS AGREEMENT OR \$ 250.00, AS LIQUIDATED DAMAGES AND NOT AS A PENALTY, AND THIS LIABILITY SHALL BE EXCLUSIVE. COMPANY AND COMPANY'S RELATED PARTIES SHALL NOT BE LIABLE FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES EXCEPT TO THE EXTENT OF THE LIQUIDATED DAMAGES HEREIN PROVIDED.

F. In the event any third party, including any insurance carrier of Subscriber, a person claiming through Subscriber or any other third party, makes any claim or commences any action against Company related in any manner to this Agreement or the service regardless of cause or origin, whether based upon or due to alleged defects, acts or omissions, active or passive negligence, strict or product liability, breach of warranty or contract, or otherwise, Subscriber agrees to indemnify Company and to hold Company harmless against all losses in excess of the monetary limits provided in paragraph D and E of this section.

G. WHEN SUBSCRIBER AGREES TO INDEMNIFY COMPANY IN THIS AGREEMENT, SUBSCRIBER (AT HIS SOLE COST AND EXPENSE) AGREES TO INDEMNIFY, KEEP INDEMNIFIED, DEFEND AND HOLD COMPANY, AND ANY OF ITS PRESENT OR FUTURE OFFICERS, DIRECTORS, EMPLOYEES, PARTNERS, SUBSIDIARIES, AGENTS, SUCCESSORS, ASSIGNEES, CONTRACTORS, LICENSEES OR AFFILIATES AND ANY OTHER PERSON WHOMSOEVER ACTING FOR OR ON BEHALF OF COMPANY (COLLECTIVELY, HEREIN CALLED "COMPANY'S RELATED PARTIES") HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, ACTIONS, CAUSE OF ACTION, DAMAGES, LOSSES, LIABILITIES, FEES (INCLUDING COURT AND ATTORNEY'S FEES), COSTS AND EXPENSES (COLLECTIVELY, HEREIN CALLED "LOSSES") IN ANY WAY OR MANNER WHATSOEVER ARISING FROM ATTRIBUTABLE TO THE MATTERS) BEING INDEMNIFIED AGAINST EVEN IF THE RESULT OF THE NEGLIGENCE OF COMPANY AND/OR COMPANY'S RELATED PARTIES, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, ACTIVE OR PASSIVE, ORDINARY OR GROSS. EACH AND EVERY COVENANT BY SUBSCRIBER TO INDEMNIFY AND HOLD COMPANY HARMLESS SHALL SURVIVE THE EXPIRATION, TERMINATION OR CANCELLATION OF THIS AGREEMENT.

V. MISCELLANEOUS

This Agreement shall be governed by the laws of the state of Texas and the United States of America. This Agreement may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought. This agreement sets forth the entire agreement and understanding between the parties as to the subject matter of the agreement, and merges and shall supersede all prior agreements, commitments, representations, writings, negotiations and discussions between them except that all acknowledgements, representations and warranties made to Company herein shall survive the execution and delivery of this agreement. Headings to sections of this agreement have been inserted for convenient reference only and shall not modify, define, limit or expand the express provisions hereof. The pronouns used in this agreement shall be construed as masculine, feminine or neuter, singular or plural, as the occasion may require. Unless the content otherwise specifies or requires, the informational terms delineated, defined and amplified on the first page of this agreement shall have the same meaning throughout this agreement. All schedules or exhibits annexed hereto and all documents referred to herein are hereby incorporated in and made a part of this agreement as set forth in full herein. Each individual signing this agreement represents and warrants to every party hereto that he is duly authorized to execute same in the capacity stated and as an act of the entity for whom he signs. Time is of the essence to this agreement and each and every provision thereof. If any provision of this agreement is held illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable, and this agreement shall be construed and enforced as if such illegal, invalid or unenforceable provisions had never been a part hereof, and the remaining provisions of this agreement shall remain in full force and effect and shall not be effected by the illegal, invalid or unenforceable provision or by its severance therefrom. Furthermore, in lieu of such illegal, invalid or unenforceable provisions, there shall be automatically added as a part of this agreement a provision as similar in terms to such illegal, invalid or unenforceable provisions as may be possible and be legal, valid and enforceable. This provision shall be deemed paramount and control over all other provisions of this agreement. This agreement shall be binding on the heirs, personal representatives, successors and assigns of the parties hereto. This agreement may be executed in several counterparts, each of which shall be fully effective as an original and all of which, together, shall constitute one and the same instrument. Whenever Company is entitled to consent to any act, matter or thing, "with or without cause" or whenever in this agreement any act, matter or thing is to be "satisfactory to Company," "acceptable to Company," "approved by Company," or words of similar import, or whenever in this agreement Company is entitled to act or not to act "in its sole discretion" or otherwise whenever in this agreement Company is granted discretion, such discretion, acceptance, consent, approval or satisfaction (or lack thereof) may be withheld or exercised by Company, as the case may be, for any reason or for no reason, whether or not such refusal or exercise is arbitrary, uncontrolled or unreasonable, and any such refusal or exercise shall not be subject to appeal to or to adjudication by courts of law or otherwise.

To the extent permitted by Federal or State Law

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