

This Monitoring Service Agreement ("Agreement") is made between Graydon Group Management Inc., (hereby referred to as GRAYDON GROUP) and the "Customer" as indicated in the reverse of this Agreement.

- 1. Personal Information:** The Customer confirms that the information provided to GRAYDON GROUP is accurate and complete and agrees that any changes to the application information (information provided in the reverse of this Agreement) will be notified to GRAYDON GROUP without delay. In submitting the application information, the Customer consents to the collection, use, disclosure and transfer of personal information as follows. Personal information includes all data associated to the Customer or third parties specified in the application form or subsequently disclosed by the Customer or third parties with the Customer's consent for the purposes of setting up, monitoring, and administering security services (including credit approval, invoicing, collection and providing the Customer with information on new services or equipment). The Customer consents to the collection, use, disclosure and transfer of the Customer's personal information by and between GRAYDON GROUP or assignee of this Agreement. The Customer permits GRAYDON GROUP or any sub-contractor or assignee of this Agreement to consult third parties for credit reports or recommendations as to Customer's solvency and to collect, use and disclose such information when necessary for setting up, monitoring, and administering security services. For redundancy reasons, Customer's personal information may be stored and transmitted outside of Canada.
- 2. Monitoring and Notification Services:** GRAYDON GROUP will provide alarm monitoring, notification services, and guard response services if the Customer has requested for such services in the reverse of this Agreement. The person(s) identified on Customer's Emergency Contact List are authorized to act on Customer's behalf and are authorized to cancel an alarm prior to the notification of authorities. If an automatic cancel code is received GRAYDON GROUP is authorized to cancel notification of authorities. GRAYDON GROUP must comply with any current or future alarm dispatch procedures, bylaws, and/or directives established from time to time by any government body, police department, or any other emergency service department in the Customer's area, and GRAYDON GROUP shall incur no liability and shall be held harmless for any loss, damage or personal injury sustained as a result of such compliance.

The Customer agrees that GRAYDON GROUP, or its nominee hereunder will attempt to verify alarm signals received from the Customer's premises before dispatching emergency services. GRAYDON GROUP shall incur no liability for any loss, damage or personal injury sustained as a result of any such verification or attempted verification. If the Customer has elected for GRAYDON GROUP to provide alarm service that requires Police Response, Fire Department Response, Guard Response or Two Way Voice monitoring services and such an alarm is received at GRAYDON GROUP alarm monitoring center, GRAYDON GROUP may, at its sole discretion, attempt to contact the Customer and/or anyone on the Customer Emergency Contact List by telephone/Two Way Voice to verify that it is not a false alarm. If GRAYDON GROUP is unable to contact the Customer and/or someone on Customer's Emergency Contact List, or if the response received by GRAYDON GROUP upon such contact is questionable, GRAYDON GROUP will attempt to notify the appropriate police department or fire department or, if guard response service is being provided, GRAYDON GROUP will, for an alarm that requires police response, endeavor to dispatch a representative to make an investigation of the exterior of the premises from the representative's vehicle. Upon evidence of an attack/intrusion, GRAYDON GROUP will attempt to notify the appropriate police department. GRAYDON GROUP will not arrest or detain any person. Customer understands that if a fire or carbon monoxide signal has been received by GRAYDON GROUP's alarm monitoring center; the police, fire department or other responding authority may forcibly enter the Customer's residence. If Customer has elected for GRAYDON GROUP to provide Supervisory Alarm or Trouble Alarm monitoring services and such an alarm is received at GRAYDON GROUP's alarm monitoring center, GRAYDON GROUP will attempt to notify the representative that the Customer designates.

Customer agrees that any equipment provided by GRAYDON GROUP is not to be operated with alarm monitoring equipment from other companies. In the event that the Customer terminates services with GRAYDON GROUP, the Customer is prevented from using such equipment provided by GRAYDON GROUP. At termination of the contract, all GRAYDON GROUP equipment is to be returned by the Customer to GRAYDON GROUP. Customer understands that local laws, ordinances or policies may restrict GRAYDON GROUP's ability to provide the alarm monitoring and notification services described in this Agreement.
- 3. Customer's Responsibilities:** For GRAYDON GROUP to install, operate, and service the system referred to in this Agreement, the Customer shall be responsible for providing the following at Customer's expense:
 - a. access to the Customer's premises by GRAYDON GROUP, its employees, agents or contractors, during GRAYDON GROUP's normal business hours and at such other times as may be agreed upon;
 - b. continual electric supply to the system in accordance with the manufacturer's specifications as they may be amended from time to time by GRAYDON GROUP;
 - c. monthly testing by the Customer of the Customer's system (or more frequently if specified in writing by GRAYDON GROUP), with prompt notice to GRAYDON GROUP should any defects be found in the course of such testing. Testing is to be done in accordance with the manufacturer's specifications, or as otherwise specified by GRAYDON GROUP;
 - d. insurance coverage for the equipment for the usual insurable risks including fire, elements, acts of God, tampering and misuse;
 - e. proper maintenance and repair to all doors, windows and other portions of the Customer's premises; telephone service lines and facilities including where necessary, modem / router or jack or both;
 - f. for installation purposes, lifting and replacing of carpeting if required by GRAYDON GROUP; repairs and replacements to walls, window frames and other parts of the premises; and removal by the Customer of any fixtures, equipment or furnishings which may interfere with wiring and installation of the equipment; and
 - g. safekeeping of all premises and goods during installation.
 - h. monitored flood sensors will only notify the monitoring station if they get wet. Due to the difficulty in determining the direction of flow of water from a leak GRAYDON GROUP assumes no liability as to the adequacy of the number or placement of the flood detectors. The client agrees to review quantity and placement of flood detectors with their insurance company to determine proper coverage for flood detection.
- 4. Warranty:** All labour and material supplied and installed by GRAYDON GROUP is guaranteed to be free from defect for a period of one (1) calendar year from the date of the installation. GRAYDON GROUP reserves the right to install substitute components of comparable quality. Extended warranty for parts and labour is available at additional expense. Batteries are not covered in any warranty. Any defective systems or components supplied and installed by GRAYDON GROUP and covered under warranty shall be repaired or replaced at GRAYDON GROUP's labour cost. If the cause of the service call is not covered by the above warranty, a service charge at GRAYDON GROUP's prevailing rates will be billable to the Customer. In the event a Customer calls for service and upon inspection by a GRAYDON GROUP representative, it is found that the inoperability or apparent inoperability of the system is a result of any condition other than normal wear and tear or a defect in material or workmanship, a charge will be made for the service call at GRAYDON GROUP's current applicable rates for labour and/or material and/or applicable trip charges. If in its sole discretion GRAYDON GROUP determines it necessary to remove the equipment or parts thereof to GRAYDON GROUP's premises for repairs, GRAYDON GROUP shall endeavour to provide a replacement part or parts in order for the Customer's system to function; there are no guarantees that this is possible in all cases. The written warranty is the sole warranty given by GRAYDON GROUP to the Customer and all other statutory or other warranties, express or implied, are hereby expressly excluded.
- 5. Conditions not Covered by Warranty**
 - a. Failure by the Customer to properly secure or close a door, window or other point protected by a burglar alarm device.
 - b. Damage resulting from acts of God, accidents, alterations, misuse, tampering, and abuse.
 - c. Failure by Customer to properly follow operating instructions provided by a GRAYDON GROUP representative.
 - d. Trouble due to interruption of power.
- 6. Limitation of Liability:** It is understood that GRAYDON GROUP is not an insurer and that the amounts payable to GRAYDON GROUP throughout the lifespan of this Agreement are based upon the value of the services and the scope of liability as herein set forth and are unrelated to the value of the Customer's property or property of others located at the Customer's premises. Insurance, if any, is to be obtained by the Customer. GRAYDON GROUP shall incur no liability to the Customer for any loss or damage. GRAYDON GROUP makes no guarantee or warranty, including any implied warranty of merchantability or fitness, that the system or services supplied, will avert or prevent occurrences or the consequences thereof, which the system or services are designed to detect or avert. Customer agrees that if GRAYDON GROUP should be found liable for loss, damage, or injury due to a failure of service or equipment in any respect, its liability shall be limited to an amount equal to 10% of the annual monitoring fee or \$250,000, whichever is less. Customer further agrees that the amounts stated herein shall be the Customer's sole and exclusive remedy and GRAYDON GROUP's sole and exclusive liability and shall be paid and received as liquidated damages and not as a penalty.

In no circumstances shall GRAYDON GROUP be liable for any special, incidental, indirect or consequential damages, whatever the cause. These limitations include claims, including without

limitation; contact; and tort including negligence and strict liability even if GRAYDON GROUP has been notified of the possibility of such damages.

Customer agrees to release, defend, indemnify and not hold GRAYDON GROUP liable for any claims or liability relating to the design, installation or operation of the equipment; the performance of the monitoring system; any other service; any risks, damages, losses, injuries, death or other effect of any hazard or event that the equipment intended to detect, including the payment of all damages, expenses, costs or attorneys' fees, whether such claims or liability be based upon negligence, warranty or strict products liability on the part of GRAYDON GROUP, its agents, officers, directors, employees, distributors, contractor or dealer.

GRAYDON GROUP makes no express or limited warranties, including any warranty of merchantability or fitness for a particular purpose, that the equipment, system or service supplied may not be compromised, bypassed, interrupted, or damaged, that the equipment or service will in any case provide the protection for which it is intended or that the services or equipment will prevent any loss of property or personal injury by burglary, hold-up, fire, medical problem or otherwise.

- 7. Service Hours:** Service representatives will be dispatched only between the hours of 8:00a.m. and 4:00p.m. PST, Monday to Friday, with the exception of Holidays and in a situations deemed as an emergency by GRAYDON GROUP. Service may be arranged at other hours and days subject to availability of personnel and upon payment of the appropriate fees by the Customer.
- 8. Telephone Network:** If passive alarm monitoring is selected, it is understood and agreed that there is no practical method of verifying the transmission capability of the communicator. Therefore, the security system will not operate in the event of telephone line trouble, loss of internet or interruption of cellular service or disconnection and GRAYDON GROUP will not know of the line trouble or disconnection. GRAYDON GROUP is not responsible for the line faults or failure to detect as a result of telephone line trouble. The Customer is responsible for ensuring that their network connection is active and able to communicate. If the Customer changes to a different phone service provider or adds or switches to any other form of communication, the Customer is responsible for notifying GRAYDON GROUP of the change and perform a minimum monthly testing of the security system to ensure effective two-way communication between the Customer's security devices and the GRAYDON GROUP's alarm monitoring centre. Customer understands that GRAYDON GROUP does not receive signals when the transmission mode is or becomes non-operational and that signals from the passive communicator cannot be received if the transmission mode is cut, interfered with or otherwise damaged.
- 9. Binding Effect of Document:** This document when signed by the Customer and accepted by GRAYDON GROUP representative shall constitute a binding contract of the services described. If GRAYDON GROUP advises the Customer to the contrary by written notice mailed within fifteen (15) calendar days following the date of this contract of its refusal to accept the terms and conditions outlined on the front page and back hereof, then it shall not be binding on GRAYDON GROUP and any deposit paid hereunder shall be returned to the Customer without interest or deduction. Where the Customer does not allow GRAYDON GROUP to begin work within three (3) months after acceptance hereof by GRAYDON GROUP, GRAYDON GROUP may at its sole option cancel this contract and retain the amount of any deposit paid. In addition to any other right or remedy it may have, in the event that any cheque tendered for payment for any goods or services hereunder is not honoured, GRAYDON GROUP may cancel this Agreement and retain any money paid hereunder as liquidated damages and not as penalty.
- 10. Assignability of Agreement:** Neither this Agreement nor GRAYDON GROUP's monitoring service are transferable without GRAYDON GROUP's written consent to same. The Customer shall provide not less than thirty (30) calendar days notice of any proposed transfer. Should the Customer vacate the premises, or assign or attempt to transfer or assign its rights under this Agreement, then GRAYDON GROUP may at its sole option suspend monitoring service without notice or terminate this Agreement without prejudice to its rights to collect all amounts owing hereunder and in addition to any other remedy it may have.

GRAYDON GROUP shall have the right to assign this Agreement at any time without consent of the Customer. In such event, the Customer shall deal with, look for the performance of this Agreement to and have any remedies for breach of this Agreement against the assignee only and GRAYDON GROUP shall, upon such assignment, be released from any obligation to the Customer hereunder.
- 11. Suspension or Cancellation of Monitoring Service:** If the GRAYDON GROUP's alarm monitoring station is damaged or destroyed or if it ceases operation for any cause or if, due to the Customer's acts or omissions, (including failure to follow GRAYDON GROUP's recommendations for use and testing, repairs or replacement of the system or any part thereof if it is impracticable in GRAYDON GROUP's sole opinion to continue service, then GRAYDON GROUP may cancel monitoring service without notice and GRAYDON GROUP shall not be liable for any damages as a result of terminating such services except for a refund of any fees paid for any period after the date of cancellation.
- 12. Suspension or Cancellation by Police or Guard Agencies:** If local police, law enforcement authorities or private guards refuse to respond to calls pertaining to the Customer or any location serviced by GRAYDON GROUP or suspends response for any reason including, but not limited to, excessive numbers of false alarms, this Agreement shall not be terminated or suspended but GRAYDON GROUP shall continue to provide monitoring services and shall, in response to alarm signals, notify the Customer's private security service or other person designated, if any, and Customer agrees to pay for these services at the currently published rates.
- 13. Cancellation Charge and Renewal of Monitoring Service Agreement:** The Customer agrees to continue the monitoring service and to pay for the services at GRAYDON GROUP's prevailing rates for a period indicated on the reverse of this Agreement and thereafter automatically renews from month to month until cancelled by the Customer in writing with an advanced thirty (30) days notice. In the event the Customer cancels prior to the end of the contract term, the Customer agrees to pay, in addition to any charges for services rendered prior to cancellation, the balance owing on the agreement, as liquidated damages and not as penalty.
- 14. Additional Fees:** The Customer shall pay for any false alarm assessments, taxes, fees or charges that are imposed by any government authority, and any increase in charges to GRAYDON GROUP for telephone or other facilities required for transmission of signals. Private guard alarm response subscription entitles a maximum of 3 dispatches per year of up to 30 minutes each. Extra charges applies to additional dispatches, time and fuel surcharges.
- 15. Suspension or Cancellation for Non-Payment:** GRAYDON GROUP may suspend or cancel monitoring service or alarm response without notice if any payment is overdue or any cheque is not honoured, in addition to any other right or remedy it may have.
- 16. Interest:** The Customer shall pay interest on all amounts due to GRAYDON GROUP at the annual rate of 18% calculated daily and compounded annually from the date such amounts become due to the date of payment.
- 17. Liability:** If more than one person signs this Agreement as a Customer then the rights, obligations and responsibilities of all such persons hereunder shall be joint and several.
- 18. Costs:** The Customer agrees to pay all costs incurred by GRAYDON GROUP (including lawyers fees) for collection of any amount owed by the Customer to GRAYDON GROUP or for repossession of any equipment or for remedy of any breach of this Agreement or any attempt to do so.
- 19. Entire Agreement:** This Agreement constitutes the entire agreement between the parties and no changes can be made, save in writing and signed by both parties. The parties agree that there are no other conditions agreed to, representations made or warranties given in connection with the making of this Agreement or pertaining to the goods or services provided by GRAYDON GROUP hereunder, expressed or implied. NO PERSON OTHER THAN A DULY AUTHORIZED SIGNING OFFICER OF GRAYDON GROUP AND IN PARTICULAR NO SALES REPRESENTATIVE OR CONSULTANT HAS ANY AUTHORITY TO AMEND, WAIVE, SUSPEND OR IN ANY WAY ALTER ANY OF THE PRINTED TERMS OR CONDITIONS HEREIN CONTAINED OR TO MAKE ANY PROMISE, REPRESENTATION, CONDITION OR WARRANTY NOT PROVIDED HEREIN. THE TERMS AND CONDITIONS HEREIN PRINTED SHALL PREVAIL OVER ANY INCONSISTENT OR ADDITIONAL TERMS OR CONDITIONS IN ANY PURCHASE ORDER OR OTHER LETTER OR DOCUMENT SUBMITTED BY THE CUSTOMER HEREWITH.
- 20. Agreement Read in Context:** Personal pronouns shall be deemed to include the singular, plural, masculine, feminine and neuter as the context requires in each case, and when applied in the plural, shall apply to such parties jointly and severally. Headings or marginal notes form no part of this Agreement and are inserted for convenience of reference only.
- 21. Severability:** If any provision of this contract is found by any court of competent jurisdiction to be invalid or unenforceable, such provision shall be deemed severed herefrom and all other provisions shall remain in full force and effect.
- 22. Jurisdiction:** This Agreement shall be governed by and construed in accordance with the laws of the province in which the equipment is located. If any provision of this Agreement is illegal, invalid or void under any applicable laws, such provision should be considered severable, remaining provisions shall not be impaired and the Agreement shall be interpreted as far as possible so as to give effect to its state purpose.

BY MAKING PAYMENT ON YOUR MONITORING CHARGES YOU ARE ACKNOWLEDGING AND ACCEPTING THE TERMS OF THE MONITORING SERVICE AGREEMENT AS INDICATED IN THE ABOVE TEXT.