

TERMS AND CONDITIONS

- 1. Interest Charged.** The Customer hereby agrees to pay interest to the Security Provider if the Security Provider does not receive any payment within 30 days of the due date. The interest shall accrue at the rate of 12% per year as of the thirtieth day following the due date, and every subsequent month. If the Customer does not make payments in a timely fashion, the Security Provider may terminate any lease of Equipment and/or Service upon 15 days written notice to the Customer.
- 2. Installation.** The Security Provider agrees to install any Equipment in a workmanlike manner in accordance with the following conditions: (a) the Customer will make premises available without interruption during normal working hours (i.e. 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding holidays); (b) the Customer understands that the installation may necessitate drilling in to various parts of the Customer's premises and that wiring may be exposed; (c) the Customer agrees to provide sufficient electrical outlets at designated locations for Equipment requiring AC power; and (d) the Customer warrants that the Customer has requested the Equipment and/or Services for his/her own use and not for the benefit of any third party, owns the premises in which the Equipment is being installed or that Customer has the authority to engage the Security Provider to carry out the installation in the premises, and will comply with all laws, codes and regulations pertaining to the Equipment and/or Services that are the subject of this Agreement.
- 3. Condition of Equipment.** The Customer shall maintain the Equipment in good working order. If components of the Equipment are battery operated, the Customer will have to replace same according to the Security Provider's or his/her representatives' recommendations. The Customer accepts the full and entire responsibility for frequently verifying the operating condition of the Equipment.
- 4. Acknowledgement of Protection.** Although the Customer may choose the type of protection he/she requires (i.e. number of devices, equipment location, type of installation, etc.), the Customer is advised to follow recommendations of the Security Provider who shall install the Equipment so as to ensure its proper operation and prevent false alarms. The Customer acknowledges that he/she has chosen the type of protection for the premises to be protected and acknowledges having received the Equipment described in this Agreement.
- 5. No Modification of Equipment.** The Customer shall ensure that the premises monitored by the Equipment is well maintained and allow the Equipment to adequately operate and shall advise the Security Provider in writing of any changes to the configuration of such premises. The Customer undertakes to not modify or replace the Equipment or any component thereof nor connect or have any other equipment connected to the equipment already in place so as not to impede the correct operation of the Equipment. The Customer undertakes to preserve the identification plates and any other markings on any Equipment. If the Customer moves, he/she remains entirely responsible for the equipment and for his contractual commitment. The Customer is responsible for informing the Security Provider of his/her move by registered mail and for supplying the date and address for the purpose of reinstalling the Equipment.
- 6. Additional Services and Equipment.** Any service or equipment which the Security Provider may provide beyond the obligations set forth in this Agreement is optional on its part and will create no additional obligation on the Security Provider. The Customer undertakes to remunerate the Security Provider for any services or equipment required of the Security Provider and rendered or provided at the request of the Customer beyond the commitments set forth in this Agreement. Such remuneration will be mutually agreed to in advance by the Security Provider and the Customer.
- 7. Remote Monitoring Services.** The Equipment for Remote Monitoring Services includes a communicator that sends signals to the Monitoring Station over the Customer's regular telephone service. The Customer will pay for all telephone charges including any installation or repair fee charged by telephone company for a special jack to connect the system to the Customer's telephone service. The Security Provider recommends the use of a CA38A or equivalent telephone jack to give the system priority over other telephones in the Customer's home; however, when the Equipment is activated, the Customer will be unable to use the Customer's telephone to make other calls such as calls to the emergency 911 operator. Therefore, Customer may wish to have the system connected to a separate telephone line. If the Customer's telephone is out of order, placed on vacation status or otherwise not working, signals cannot be transmitted and the monitoring station may be unaware of the telephone service problem. The Customer acknowledges that if he/she replaces its existing telephone service with any form of internet protocol telephony service (i.e. voice over internet protocol telephony or "VOIP") an alarm signal will not reach the Monitoring Station. The Customer acknowledges that if the Equipment uses a digital communication with the Monitoring Station, the Equipment may not be able to transmit alarm signals to the Monitoring Station through VoIP without further modification. The Customer will notify the Security Provider of such a telephone service replacement for the purpose of scheduling an inspection and modification of the Equipment. Additional equipment such as, but not limited to, an Internet Protocol Monitoring Device (IPMD) will be installed as needed in the Equipment during the modification to enable the Equipment to communicate to the Monitoring Station. All modification work will be performed on a time and material basis at the Customer's expense. The Customer acknowledges that failing to notify the Security Provider of any such replacement of its existing telephone service with any form of VoIP may result in the loss of alarm signals and the disruption of monitoring services, through no fault of the Security Provider. The Customer acknowledges that the use of internet can cause signals not to transmit in the event of a power or modem failure. If radio or cellular monitoring service is selected by the Customer, the Security Provider will utilize a radio frequency for transmitting alarm signals from the system to the Monitoring Station. The Customer acknowledges that the use of radio frequencies are controlled by the Canadian Radio-Television and Telecommunications Commission and local regulatory agencies and changes in rules, regulations and policies may necessitate discontinuing or modifying such transmission facilities. The Customer further acknowledges that radio frequency transmissions may be impaired or interrupted by atmospheric conditions, including electrical storms, power failures or other conditions and events beyond the Security Provider's control.
- 8. Maintenance Services.** Maintenance Services shall be provided by Security Provider "on-call" from the Customer. The Customer will facilitate access to the premises in order to allow the Security Provider or its representatives to perform all Maintenance Services and to retrieve its Equipment. The Customer accepts all inconveniences resulting from such installation, maintenance and/or repairs of Equipment or cabling. Replaced parts shall be the property of the Security Provider. The Maintenance Services specifically excludes: (a) Equipment defects which are known to the Customer as of the date of this Agreement, unless these were disclosed to the Security Provider prior to the execution of this Agreement and the Customer has agreed in writing to include such defects in the Service coverage; (b) Equipment defects resulting from fire, lightning, vandalism, a flood, negligence of the Customer, Force Majeure, abuse by the Customer, modifications to the Equipment which are contrary to standards or the Security Provider's recommendations; (c) defects caused by paint or materials used on coatings of external surfaces of the Equipment; (d) interruption of the electrical supply to the Equipment; (e) defects resulting from alterations to the Equipment by persons not authorized by the Security Provider.

9. PPSA Registration of Security Interest. Customer hereby grants to the Security Provider a continuing, specific, and fixed security interest, under Manitoba's *Personal Property Security Act*, in the Equipment sold to the Customer, now or at any time and from time to time existing, wherever situate, pursuant to this Agreement until such time the purchase price for such Equipment is paid in full. Title to such Equipment shall remain with the Service Provider until paid in full.

10. Automatic Renewal. Any lease of Equipment and/or Service supplied pursuant to this Agreement will be automatically renewed at its expiration on a month to month basis. The Customer can prevent the automatic renewal of by delivering to the Security Provider a written notice at least 30 days prior to the renewal date or, if automatically renewed on a month to month basis, the end of the month on which the Customer wishes any lease of Equipment and/or Service to terminate. However, the Customer must pay for any lease of Equipment and/or Service to the end of the month in which same is terminated.

11. Cancellation prior to the end of the Term. If the Customer who wishes to terminate any lease of Equipment and/or Service established pursuant to this Agreement before the end of the term applicable to such, the Customer must deliver to the Security Provider a written notice to that effect at least 30 days prior to the date of termination and pay the Security Provider, as liquidated damages and not as a penalty, a single payment on the date of termination of any lease of Equipment and/or Service, equal to 100% of the total of the outstanding monthly payments thereafter payable attributable to any lease of Equipment and/or Service being cancelled. In case of termination of this Agreement or the non-renewal thereof, the Customer acknowledges, and agrees to cooperate with, the Security Provider's right to repossess any leased Equipment.

12. Default by Customer. Any failure by the Customer to pay when due the payments or other charges provided by this Agreement or breach of this Agreement by the Customer shall give the Security Provider the right to terminate this Agreement, and, in addition to and without waiving any other remedies, to avail itself of any legal remedy, including but not limited to, the right to repossess leased Equipment with or without notice and without obligation to redecorate or repair the premises or any other liability; charge interest at an annual rate of 12% on any delinquent amount; liquidated damages equal to 100% of the entire amount thereafter payable under this Agreement until the end of the relevant term.

13. Liability of Customer. The Customer shall be liable for any loss of or any damage to the Equipment, for any reason whatsoever including Force Majeure, as of the date of its delivery and shall reimburse the Security Provider for the cost of any leased Equipment which is lost or destroyed. The Security Provider shall execute its obligations hereunder with diligence and to the best of its ability, but will not be liable for any damage, whatever its cause or nature, except for deliberate acts by or gross negligence of the Security Provider or its representatives. Any Equipment deficiency or error as to delivery and/or installation of the Equipment must be reported in writing to the Security Provider within 48 hours of the observation of same, failing which the Customer shall be considered to be satisfied with the Equipment, its delivery and installation.

14. LIMITATION OF LIABILITY OF SECURITY PROVIDER. THE CUSTOMER RELEASES THE SECURITY PROVIDER FROM ANY LIABILITY FOR LOSSES OR DAMAGES DUE DIRECTLY OR INDIRECTLY TO EVENTS (OR TO CONSEQUENCES THEREOF) THAT THE EQUIPMENT AND/OR SERVICES IS DESIGNED TO DETECT OR AVOID. THE CUSTOMER IS AWARE THAT THE SECURITY PROVIDER IS NOT AN INSURER, THAT THE PROTECTION OFFERED TO HIM/HER PURSUANT TO THIS AGREEMENT IS LIMITED AND NOT ABSOLUTE, THAT THE AMOUNTS PAYABLE BY HIM/HER HAVE NO RELATION TO THE VALUE OF THE PREMISES OR THEIR CONTENTS AND ARE THUS SET BECAUSE OF THE STIPULATIONS CONTAINED IN THIS AGREEMENT AS TO DAMAGES AND LIABILITY. THE CUSTOMER RECOGNIZES THAT THE SECURITY PROVIDER WILL NOT BE RESPONSIBLE FOR ANY LOSS AND/OR DAMAGE SUFFERED BY THE CUSTOMER AS A RESULT OF FAILURE BY A POLICE DEPARTMENT OR FIRE OR AMBULANCE OR OTHER EMERGENCY SERVICES ORGANIZATION TO RESPOND TO AN ALARM WHICH THE CUSTOMER WILL HAVE SIGNALLED. ADDITIONALLY, THE CUSTOMER ACKNOWLEDGES THAT UNDER CERTAIN CIRCUMSTANCES THE INSTALLED EQUIPMENT CAN PRODUCE FALSE ALARMS AND SHOULD A FALSE ALARM OCCUR, THE CUSTOMER WILL BE RESPONSIBLE FOR EXPENSES AND FINES WHICH COULD BE LEVIED BY PRIVATE GUARDS OR PUBLIC SERVICES FOR THE MUNICIPALITY WHERE THE PROTECTED PREMISES ARE LOCATED. THE SECURITY PROVIDER MAKES NO GUARANTY OR WARRANTY, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS, THAT THE EQUIPMENT OR SERVICES SUPPLIED WILL AVERT OR PREVENT OCCURRENCES OR THE CONSEQUENCES THEREFROM, WHICH THE EQUIPMENT OR SERVICE IS DESIGNED TO DETECT. IF THE SECURITY PROVIDER 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 A SUM EQUAL TO THREE MONTHS COST OF MONITORING FEES OR \$250 WHICHEVER IS GREATER, AS THE AGREED UPON DAMAGES AND NOT AS A PENALTY, AS THE EXCLUSIVE REMEDY, AND THAT THE PROVISIONS OF THIS PARAGRAPH SHALL APPLY IF LOSS, DAMAGE OR INJURY IRRESPECTIVE OF CAUSE OR ORIGIN, RESULTS DIRECTLY OR INDIRECTLY TO PERSON OR PROPERTY FROM PERFORMANCE OR NONPERFORMANCE OF OBLIGATIONS IMPOSED BY THIS AGREEMENT OR FROM NEGLIGENCE, ACTIVE OR OTHERWISE, STRICT LIABILITY, VIOLATION OF ANY APPLICABLE CONSUMER PROTECTION LAW OR ANY OTHER ALLEGED FAULT ON THE PART OF THE SECURITY PROVIDER, ITS AGENTS OR EMPLOYEES. NO SUIT OR ACTION SHALL BE BROUGHT AGAINST THE SECURITY PROVIDER MORE THAN ONE YEAR AFTER THE OCCURRENCE OF THE CAUSE OF ACTION THEREFOR, UNLESS A LONGER PERIOD IS REQUIRED BY APPLICABLE LAW. IT IS FURTHER AGREED THAT THE LIMITATIONS ON LIABILITY EXPRESSED HEREIN SHALL ENURE TO THE BENEFIT OF AND APPLY TO ALL PARENT, SUBSIDIARY AND AFFILIATED COMPANIES OF THE SECURITY PROVIDER.

15. Personal Information. The Customer confirms that the information he/she is providing to the Security Provider is true and complete and shall notify the Security Provider without delay of any change to his/her personal information. Personal information includes all data relating to the Customer in his/her application form or subsequently disclosed by him/her or third parties with his/her consent (or when authorized by law). For the purposes of monitoring, setting up, and administering his/her security services (including credit approval, invoicing, collection and to provide the Customer with information on new services or equipment), the Customer agrees to the collection, use, disclosing and transferring of his/her personal information by and between Security Provider, its affiliates, its subsidiaries and their respective successor corporations, or any subcontractor or assignee of this Agreement. The Customer authorizes the Security Provider or any sub-contractor or assignee of this Agreement to consult third parties (such as any credit reporting agency, credit bureau, person or corporation with whom the Customer has or may have financial relations, or supplier of services or benefits relating to this agreement) for credit reports or recommendations as to his/her solvency and to collect, use and disclose such information when necessary for the monitoring, setting up and administration of his/her security services. The file containing information related to the administration of the Customer's security services will be kept by Security Provider and/or any subcontractor or assignee of this Agreement or third party monitoring company and will only be available to the personnel at the Security Provider and/or any sub-contractor or assignee of this Agreement and their authorized employees, contractors and agents who need to access the information in the administration and operation of his/her security services or to inform the Customer of new equipment or services, unless otherwise

authorized by law. The information related to the administration of the Customer's security services (including credit related information) will be held in a file titled with his/her name. The Customer has a right to access and correct the information (which may be incomplete, obsolete, or incorrect) contained in the file held about him/her and in order to exercise this right he/she can contact, in writing, the Security Provider, attention: Privacy Officer. The Customer may contact the Security Provider to obtain information about the Security Provider's management of personal information and to address any complaints at the Security Provider's address set forth on the first page of this Agreement. The Customer consents to the receipt of the Security Provider's promotional materials and information concerning other services and products offered by the Security Provider via mail or email at the address(es) set forth in this Agreement, or as updated by the Customer from time to time.

16. Assignment. The Customer may not transfer or assign his/her rights pursuant to this Agreement without the prior written consent of the Security Provider, which consent may be arbitrarily withheld or delayed. The Security Provider shall be entitled to assign this Agreement to any other provider of security services, without the consent of the Customer. In all such cases, any assignee shall assume each and every one of the obligations contained herein toward the Customer and shall benefit from each and every one of the rights granted to the Security Provider hereunder. Furthermore, the Security Provider shall be entitled to sub-contract any services it is to perform hereunder. This Agreement shall also enure to the benefit of and apply to any assignee, subcontractor or any other party performing any of the obligations provided for herein.

17. Force Majeure. The Security Provider shall not be liable for failure to perform any of its obligations hereunder if such failure is caused by events outside its reasonable control, including without limitation, acts of God, war, acts of terrorism or natural disasters. The Security Provider shall use commercially reasonable efforts to recommence performance as soon as reasonably possible.

18. Notice. All notices shall be sent to such party's address on the first page of this Agreement. Such notice shall be deemed duly delivered on the date of hand-delivery or one day after deposit with an overnight courier with tracking capabilities, or five days after deposit in registered mail, postage prepaid, return receipt requested.

19. General. Failure by the Security Provider to require the performance by the Customer of its obligations pursuant to this Agreement or to enforce a right or recourse of the Security Provider shall not be deemed or interpreted as a waiver or forfeiture by the Security Provider of such right or recourse or of its right to require the performance by the Customer of its obligations pursuant to this Agreement. This Agreement constitutes the entire agreement between the parties as to its subject matter, superseding all prior or contemporaneous agreements or other communications or dealings whether written or oral, and may be amended only by a written instrument signed by the parties. This Agreement shall be governed by and construed under the laws of the Province of Manitoba and the federal laws of Canada applicable therein, without reference to principles of conflict of laws, and each party unconditionally and irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Manitoba.