



ALARM SYSTEM AGREEMENT

This Agreement is dated 12/29/10, between Seagard Security, Inc. (the "Company") and you (the "Customer"). This Agreement covers the system listed on the attached Proposal (the "System") and any services requested below for the following location (the "Premises"). The Company has written this Agreement in simple, easy-to-read language because it wants the Customer to understand it. Please feel free to ask any questions.

INTENDING TO BE LEGALLY BOUND, WE BOTH AGREE AS FOLLOWS:

CUSTOMER'S NAME: PERLIN REENTRY LLC

Premises: 2466 EAST 10TH AVENUE

TELEPHONE: (415) 265-4010

TYPE OF ACCOUNT: Consumer Use

ESTIMATED INSTALLATION DATE: 1/1/11

CHARGES AND FEES:

Purchase Price including Installation (Sale only)

Due at signing \$ 0

Due when the System is substantially installed \$ 0

Lease Installation Charge (Lease only)

Due at signing \$ 0

Due when the System is substantially installed \$ 0

Take Over Charge (due at signing)

\$ 0

THE FOLLOWING SPECIFIC TERMS (A-G) APPLY ONLY IF A CHARGE FOR THEM IS SHOWN ABOVE AND THEY ARE REQUESTED BELOW.

A. Installation. The Company agrees to install the System and the Customer agrees to pay the installation charge. The Company assumes no responsibility for any delay in installation. The Customer must pay all utility charges.

The Customer must notify the Company in writing of any problems within 30 days after the installation. The Customer must pay for any additions or changes to the System beyond those shown on Schedule A.

B. Take Over. The Company agrees to take over the operation of the Customer's existing System and the Customer agrees to pay the charge for taking it over. The Customer represents that it owns the System. After the take over, the Company will always own the transmitting device, which contains the Company's proprietary data. The Customer understands that the Company will not commence service until it has inspected the System.

C. Sale. The Company agrees to sell the System and the Customer agrees to pay for it. The Company will own the System until the Customer does so. After that, the Customer will own the System except for the transmitting device, which contains the Company's proprietary data and which the Company will always own.

D. Lease (DOES NOT APPLY TO CONSUMER TRANSACTIONS). The Company agrees to lease the System to the Customer for an initial term of 3 years from the date of this Agreement and the Customer agrees to pay the Company the lease fees. After the initial term, the lease will automatically renew for successive 1 year terms. The System will always remain the Company's property.

As soon as the Company reasonably can, it agrees to repair the System due to ordinary wear and tear. If there is any problem with the System which is not due to ordinary wear and tear, the Customer agrees to pay the Company the cost of the Company's then current charges.

At the end of the Lease, the Customer will return the System to the Company in good condition, except for ordinary wear and tear. If the Customer fails to do so, the Company can immediately end the lease, sue for damages and/or the Company can retain the System.

E. Monitoring. The Company agrees to monitor signals from the System for an initial term of 6 years from the date of the Agreement. The Customer agrees to pay the monthly monitoring fees. After the initial term, the monitoring services will automatically renew for successive 1 year terms.

Once the Company receives a signal, the Company will try to notify, over its regular telephone lines, the signal(s) sender premises, identified on the Customer's information sheet. However, the Company will not notify anyone if it is reasonably to believe such notification is not needed.

The Customer agrees to give the Company a copy of an emergency sheet and to update it as necessary. If a Company is engaged to rely solely on the Customer's information sheet, the Company is not responsible for failing to contact anyone else.

THE CUSTOMER ACKNOWLEDGES THAT IT HAS RECEIVED A COPY OF THIS AGREEMENT AND ALL ITS ATTACHMENTS. THE CUSTOMER ACKNOWLEDGES THAT IT HAS READ AND UNDERSTOOD THIS AGREEMENT, ESPECIALLY THOSE SECTIONS ON WARRANTY.

(CONSUMER TRANSACTIONS ONLY) YOU MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION. PLEASE SEE THE ATTACHED NOTICE OF CANCELLATION FORM FOR AN EXPLANATION OF THIS RIGHT.

CUSTOMER:

X Mark A. Perlin
Customer Signature

12/28/10
Date

X MARK A. PERLIN
Customer Name (P-in)
Whitney Slime - Standard Pink - Customer

SEAGARD SECURITY, INC.

By: John J. Murphy

Authorized Representative

Date

1/10/2011

ENTERED

GENERAL TERMS

1. **LIMITATION OF THE COMPANY'S LIABILITY.** IF THE COMPANY IS FOUND LIABLE FOR ANY LOSS OR DAMAGE DUE TO ITS NEGLIGENCE OR THE FAILURE TO PERFORM ITS OBLIGATIONS IN THIS AGREEMENT, INCLUDING INSTALLING, MONITORING, REPAIRING OR TAKING OVER THE SYSTEM, IN ANY RESPECT AT ALL, THE COMPANY'S MAXIMUM LIABILITY WILL BE \$500. THE COMPANY WILL ASSUME A GREATER LIABILITY, BUT ONLY FOR AN ADDITIONAL CHARGE TO BE AGREED UPON BY THE CUSTOMER AND THE COMPANY. IF THE COMPANY DOES SO, A RIDER WILL BE ATTACHED TO THIS AGREEMENT.

THE COMPANY EXPRESSLY DENIES ALL LIABILITY FOR ANY OTHER LOSS OR DAMAGE WHICH MAY OCCUR PRIOR TO, AT OR AFTER SIGNING THIS AGREEMENT. THIS INCLUDES LIABILITY BASED ON CONTRACT, TORT, NEGLIGENCE, WARRANTY (INCLUDING MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE) AND ANY OTHER THEORY OF LIABILITY.

THIS EXCLUSION SPECIFICALLY COVERS LIABILITY FOR: LOST PROFITS; LOST OR DAMAGED PROPERTY; LOSS OF USE OF PROPERTY OR THE PREMISES; GOVERNMENTAL FINES AND CHARGES; AND THE CLAIMS OF THIRD PARTIES. ALSO COVERED BY THIS EXCLUSION ARE THE FOLLOWING TYPES OF DAMAGES: DIRECT, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL (DAMAGES THAT RESULT FROM AN ACT, BUT DO NOT DIRECTLY RELATE TO THE ACT) AND PUNITIVE (DAMAGES USED TO MAKE AN EXAMPLE OF SOMEONE).

THE CUSTOMER ACKNOWLEDGES THAT, FOR AN ADDITIONAL FEE, THE CUSTOMER MAY OBTAIN ADDITIONAL PROTECTION FOR THE PREMISES, INCLUDING TELEPHONE LINE-CUT PROTECTION.

2. **Insurance.** The Customer understands that THE COMPANY IS NOT AN INSURER. The Customer is responsible for obtaining all insurance the Customer thinks is necessary, including coverage for personal injury and property damage. The payments the Customer makes under this Agreement are either applied to the cost of the System and the Company's services, but

either are applied to the cost of the System and the Company's services.

The Customer waives its Company from any liability for any event or condition caused by the Customer's negligence.

The Customer understands that the System is designed to work, but can sometimes break down. The Company does not guarantee that the System will receive prompt repair, uninterrupted service or fail and cause damage to the Premises. The Company waives its liability for losses due to

3. Limited Warranty

(a) For 1 year from the date of this Agreement, the Company warrants that any part of the System does not break because of a defect in materials or workmanship. If the Company fails to replace or repair that part at no charge, the Company may use replacement parts in making the repair. The Company waives the replacement part, only for the remainder of the warranty period.

This limited warranty does not cover failures in wireless devices in the control room, nor does it apply if the System has been damaged by acts beyond the Company's control. Such acts include, but are not limited to, power surges, misuse, lack of regular maintenance, negligence, damage or acts of God (including lightning). This excludes, tornadoes, hurricanes, floods etc.).

The Customer must notify the Company of any problem the Customer thinks the Company's limited warranty covers within the warranty period. The Company will repair the problem as soon as it reasonably can after it receives the notice.

(b) This limited warranty is the only warranty the Company makes, is made only if the Company installed the System, and takes the place of all other warranties, whether express or implied. NO EXPRESS OR IMPLIED WARRANTIES EXTEND BEYOND THE FACE OF THIS AGREEMENT. THE COMPANY MAKES NO IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

The Company does not promise that the System or the services cannot be compromised or that they will always provide the intended signaling, monitoring or other service. If a court decides the Company has given the Customer any implied warranty, it will extend only to the length of the limited warranty period.

Some states do not allow limitations on how long an implied warranty lasts or the exclusion or limitation of incidental or consequential damages, so the above limitation or exclusion may not apply to the Customer. The limited warranty gives the Customer specific legal rights; the Customer may also have other legal rights that vary from state to state.

4. **Customer's Protection of Company.** This Agreement is intended only for the Customer's benefit. Therefore, the Customer agrees in full understanding, to defend and release the Company and the Company's related parties from liability against all third party claims or losses (including reasonable attorney fees) brought against the Company which relate to the System or the services the Company provides. The Company's related parties include the Company's employees, agents and subcontractors.

This protection clearly covers claims brought against the Company by the Customer's insurance company. It also includes claims arising under contract, warranty, negligence, or any other theory of liability.

The Customer's duty to protect/defend the Company, however, does not apply to claims based on injuries to third parties or to their property that occurred while the Company's employees were on the Premises and which were caused solely and directly by those employees.

In case of any third party claim or loss covered by the Customer's insurance, the Customer agrees not to look to the Company or the Company's related parties for reimbursement. The Customer waives any rights that the Customer's insurance carrier or others claiming through the Customer may have against the Company or the Company's related parties.

5. **The Customer's Agreement.** The Customer has the authority to sign this Agreement and in doing so will violate any other agreement the Customer has with another person or organization on the Premises.

[Signature] *12/28/10*

The Customer agrees to prevent false alarms and assume responsibility for them. If the Company notifies the Customer of a malfunction, the Customer will disconnect the System until the Company can repair it.

The Customer will not tamper or interfere with the System, nor permit others to do so. The Customer agrees that the Company can record and use communications with anyone at the Premises in the normal course of the Company's business.

The Customer will test the System at least once a month, as well as when changes are made to the telephone system or the Premises. The Customer will immediately notify the Company of any problems with the System. The Customer agrees that the Company can make program changes to the Company's proprietary data located in the transmitting device.

The Customer will pay the Company the then-current charges for doing any work not covered by this Agreement, including paying the Company's minimum service charge if the Company cannot enter the Premises at the scheduled time. The Customer's obligations continue even if the Customer sells or leases the Premises.

6. **The Customer's Default.** If the Customer fails to perform its obligations, the Company will give the Customer written notice of default. If the Customer does not fix the default within 30 days, the Company can end this Agreement. If the Company ends this Agreement, the Customer must pay the Company: (a) all amounts then due; (b) 100% of the amount due the Company for the remainder of this Agreement (as an agreed-upon amount of costs, including attorney's fees); and (c) the Company's reasonable collection costs, including attorney's fees.

If this Agreement is ended, the Company does not have to provide any service, including monitoring, after that date. In addition, the Company can repossess any default by the Customer, that does not mean the Company waives later defaults. Any waiver by the Company must be in writing.

The Customer grants the Company a security interest in any property the Company installs on the Premises in order to secure payment of the purchase price or performance under this Agreement. The Customer must return such property if it does not pay for it. If the Customer does not return such property, the Company will sue it and try to hire the Customer to do so. The Company has the right of a service party under the Oregon Contractors' Code.

7. **System Changes.** The Customer agrees to obtain all licenses and pay all taxes, fees and other assessments, including sales taxes, the Company's fees and taxes, including state, city, county, and the like, and the charges.

After the first year of this Agreement, the Company can increase the Company's fees by an annual amount up to 10% without the Customer's consent.

The Company also shall have the right to increase its fees by more than 10%, in which case the Customer will have 30 days after receipt of notice of the increase to object, failing which it shall be conclusively deemed that the Customer has agreed to the increase. If the Customer objects in writing to the increase, the Company may end of its option to let continue this Agreement under the terms and conditions in effect immediately prior to such increase, without notice to the Customer, or by terminating this Agreement on 15 days' advance written notice to the Customer.

If the Customer is more than 30 days late with payment, the Company can charge the Customer interest up to the highest rate allowed by law. In addition, the Customer agrees to pay the Company's reasonable collection costs, including attorney's fees, and a reasonable amount less if the Company has disconnected the System.

8. **Transfer.** The Customer cannot transfer this Agreement without the Company's consent. However, the Company can transfer this Agreement or subcontract its obligations without the Customer's consent. If the Company does so, it agrees to whom the Company transfers or subcontract its obligations, we have all of the Company's rights. The Company is not responsible, however, for any work, including monitoring, which is done negligently by any third party.

9. **No Legal Limitation on Liens; Jury Trial.** Unless otherwise indicated, all notices must be in writing. The Customer or the Company may end any portion of this Agreement by notifying the other party at least 60 days prior to the end of the then-current term. It is critical that the Customer give any termination notice in a timely manner.

The Customer must bring any claim against the Company within 1 year after the claim arose. If the Customer does not, the Company has no right to sue the Company and the Company has no liability to the Customer for that claim. It is critical that the Customer bring any claim in a timely manner.

The provisions of this Agreement which apply in any claim arising in or affecting either party to this Agreement are: THE COMPANY AND THE CUSTOMER BOTH GIVE UP THEIR RIGHT TO A JURY TRIAL.

10. **Miscellaneous.** This Agreement contains the entire understanding between the Customer and the Company and replaces any other documents or discussions the Company previously had with the Customer. This Agreement is not binding on the Company until the Company's authorized agent signs it or begins installation or service. This Agreement is governed by Maine law. Faxed signatures are binding on the parties.

If the Company does not approve this Agreement, the Company's only obligation is to tell any payments the Customer has made. Any equipment or services the Company provides to the Customer in the future are subject to the terms of this Agreement, as an amendment. This Agreement cannot be changed except by a writing that both the Customer and the Company sign.

If any provision of this Agreement is found to be invalid, the remaining provisions are still effective. The word "including" means "including without limitation". Except for monitoring, the Company will only do work during the Company's normal business hours of 8:00 a.m. to 4:30 p.m., on weekdays, excluding holidays the Company observes. All schedules and attachments are a part of the Agreement.

Proposed wording for Seacoast and ~~other~~ Realty agreement

The Company's Default:

Addendums

- A1 ✓ If the Company fails to perform its obligations, the Customer will give the Company written notice of default. If the Company does not fix the default within 30 days, The Customer can end this agreement without penalty.
- A2 ✓ If the Customer waives any default by the Company that does not mean the Customer waives any later defaults. Any waiver by the Customer must be in writing.

The other issues are:

- A3 ✓ The wording is vague relating to when the second payment is due. The words "substantially installed" leave too much room for subjectivity. It should be that the payment is due when the system is installed and working.
- A4 ✓ There is no wording that indicates that there is a five year price lock on the monitoring and inspection fees.
- A5 ✓ The current wording has us paying in advance for the services even though the first inspection and test doesn't take place until a year after the installation. Since the system will be tested when installed you can't use the same wording for the monitoring services as the inspection and testing services. Monitoring services start immediately and can be billed immediately while Inspection and testing should not be billed until the end of year one.
- A6 ✓ The wording on the limitation on transferring the agreement should have added as part of the first sentence: "which may not be unreasonable withheld."
- A7 ✓ Under the transfer section in the sentence that says if the Company transfers the agreement that the transferee has the rights of the Company. What needs to be added is that they also have all of the Company's obligations. The current wording mentions it but does not state it in a clear manner.
- A8 ✓ The last sentence of section 5 says that my obligations continue even if I sell or leave the premises. If I sell the buildings and the agreement is assigned with your consent, then I should no longer be liable for any of the obligations.

Mark Pet 12/28/10

John McElroy 12/28/10