CONNECT 24 DEALER AGREEMENT FOR RESALE OF CELLULAR ALARM SERVICE

IHIS A	GREEMEN	I and its at	tached s	cneaules,	as amended	i irom	time to time, I	or the res	ale or
cellular a	alarm service	, dated as of	the d	lay of	20	("Agr	eement") by and	d between	Тусо
Safety	Products	Canada	Ltd.	O/A		,	("Connect principal place	, ,	
							(the "D	ealer").	

WHEREAS, Connect 24 provides fixed point cellular alarm service (the "Service") for resale to value-added resellers in the United States pursuant and subject to authorizations by Cingular Wireless II, LLC and its affiliated companies ("Cingular"); and

WHEREAS, Dealer desires to purchase and resell access to and usage of Connect 24's cellular alarm service in the United States to customers of Dealer that use certain transceivers containing GSM/GPRS technology compatible with the Service,

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, the Parties hereto agree as follows:

- 1. **DEFINITIONS**. Certain defined terms in this Agreement are contained in Schedule A hereto.
- 2. SERVICE. Connect 24 shall provide on a non-exclusive basis, and Dealer shall accept, the Service in the Area, which Service Dealer may market and resell to End Users that have Equipment installed on their premises subject to the terms and conditions of this Agreement, Connect 24's written standards for the Service, receipt of which Dealer hereby acknowledges, and any and all applicable Federal, state and local law and regulation.
- **3. TERM.** Subject to timely receipt and approval of an Approved Service Agreement as set forth in Section 1.3 of Schedule A attached hereto, the term of this Agreement shall commence on the date set forth above, and shall continue from year to year unless and terminated in accordance with the provisions of Article 13.

4. CHARGES AND PAYMENT.

- 4.1 <u>Payment of Charges</u>. Dealer shall pay to Connect 24 charges computed as set forth in Schedule B. All such charges may be modified from time to time in accordance with the provisions of this Article 4.
- 4.2 <u>Taxes.</u> Dealer shall be solely responsible for the payment of all taxes that arise from its resale of the Service to End Users. Except where Dealer provides to Connect 24 a valid certificate of resale or other such documentation as would release Connect 24 from any liability, levy, or duty, there shall be added to any charges due from Dealer an amount equal to any duty, fee, surcharge, levy, or tax, including, but not limited to, sales, gross receipts, excise, utility, and use taxes, fees or surcharges imposed by any local, state or federal government or governmental agency with respect to Dealer, the Service, or transactions contemplated by this Agreement, excepting only taxes on the income of Connect 24.
- 4.3 Tariffs. In the event that Service provided or charges made therefore are currently subject, or at any time become subject, to any Federal, state, or local regulation or tariff, then the agreed charges set forth in Schedule B (as amended from time to time) shall be deemed amended to conform to the rates or any changes in rates or terms and conditions that may occur or be required under such regulation or tariff. Nothing in this Agreement shall be deemed (i) to require or preclude the use of tariff-equivalent or tariff-related charges, or (ii) to provide or imply that such charges are or are not appropriate in the provision of Service provided for this Agreement and in Schedule B.

- 4.4 <u>Annual Billing</u>. Connect 24 shall bill Dealer for charges incurred under this Agreement once per calendar year, per new account, or as otherwise specified on Schedule B.
- 4.5 <u>Invoices.</u> Payment in full for monthly invoices shall be due in U.S. currency thirty (30) days from the date set forth in the invoice without any right of offset by Dealer for disputed charges or otherwise. Connect 24 may, at its sole discretion, require payment by certified check, money order or wire transfer. Payments are past due if not received by the due date shown on the invoice. In the event payment is not received within this time period, Dealer agrees to pay interest at the rate of 1.5% per month compounded monthly on late payments. Dealer agrees that time is of the essence with respect to its payment of invoices.
- 4.6 <u>Disputed Invoices.</u> Dealer agrees not to place any condition or restrictive legend, such as "Paid in Full" or "Under Protest" on any check or instrument used to make a payment. The parties agree that the negotiation of any such check or instrument so inscribed shall not constitute an accord and satisfaction or novation and that Sections 14.3 and 14.4 shall be the sole mechanism for the resolution of payment disputes.
- 4.7 <u>Modification to Schedule.</u> The charges set forth in Schedule B may be increased or decreased at any time upon ninety (90) days written notice to Dealer, unless Schedule B provides otherwise. To the extent that the charges set forth in Schedule B are subject to any Federal, state, or local regulation or tariff, such charges may be increased or decreased as provided or required by such regulation or tariff.
- 5. LIMITED WARRANTIES. The Service is a service and not "good(s)" as that term is defined in the Uniform Commercial Code as in effect from time to time in the State of Delaware. Notwithstanding and without limitation of the foregoing, to the extent that all or any portion of Service offered by Connect 24 might be construed as a good(s), CONNECT 24 EXPRESSLY DISCLAIMS ANY AND ALL IMPLIED WARRANTIES OF WHATSOEVER NATURE INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
- 6. LIMITATION OF LIABILITY. CONNECT 24 AND Cingular, THEIR OFFICERS, DIRECTORS, AFFILIATES, AGENTS, EMPLOYEES AND ASSIGNS SHALL NOT BE LIABLE FOR ANY DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, LOSS OF EARNINGS, LOSS OF BUSINESS OPPORTUNITIES, PERSONAL INJURY, PROPERTY DAMAGE OR OTHER LOSS DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN CONNECTION WITH THE USE OF THE SERVICE, INCLUDING, BUT NOT LIMITED TO, OUTAGES, TRANSMISSION ERRORS, EQUIPMENT LOSS OR FAILURE, FALSE ALARMS, CORRUPTION OR LOSS OF DATA OR THE SECURITY OF DATA DURING TRANSMISSION, TO ANY PARTY, INCLUDING, BUT NOT

LIMITED TO, DEALER, END USERS OR OTHER PERSON OR TELECOMMUNICATIONS CARRIER.

IN NO EVENT SHALL CONNECT 24 AND Cingular, THEIR OFFICERS, DIRECTORS, AFFILIATES, AGENTS, EMPLOYEES AND ASSIGNS BE LIABLE FOR ANY ACTS OR OMISSIONS OF DEALER, END USERS, OR ANY OTHER PERSON OR TELECOMMUNICATIONS CARRIER FURNISHING GOODS OR SERVICES USED IN CONNECTION WITH THE SERVICE.

IN NO EVENT SHALL CONNECT 24 AND Cingular, THEIR OFFICERS, DIRECTORS, AFFILIATES, AGENTS, EMPLOYEES AND ASSIGNS BE LIABLE FOR ANY INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING FROM THE SERVICE OR PROVISION OF THE SERVICE.

7. DEALER'S OBLIGATIONS.

- 7.1 <u>Dealer's Charges and Supervision.</u> Dealer is solely responsible for all charges billed by Connect 24 to Dealer, regardless of when billed, for provision of the Service, and any and all other charges relating to Service under this Agreement and invoiced to Dealer under Article 4.
- (a) Dealer shall ensure that an End User Service Agreement including a copy of the Subscriber Acknowledgement and Limitation of Liability Agreement attached as Schedule C is delivered to and signed by each End User prior to Activation of the Service for such End User.
- (b) Dealer agrees that Connect 24's obligation to provide Service shall commence only after Connect 24 has received a valid Activation signal from the End User's Equipment.
- (c) Dealer shall promptly investigate and report to Connect 24 its findings relating to all instances of questionable End User high usage (exceeding predicted usage based on historic trends for such End User) upon notification by Connect 24 that usage historic trends for that End User have been exceeded.
- 7.2 <u>Dealer's Efforts</u>. Dealer agrees to use its reasonable efforts to promote vigorously Connect 24 and the Service to its customers. Notwithstanding the foregoing Dealer shall comply with Section 7.6 (d).
- 7.3 <u>Dealer's Records</u>. Dealer is responsible for maintaining clear and accessible records relating to the provision of Service under this Agreement. Dealer shall ensure that each End User Service Agreement is filed and stored in good condition in the Dealer's files on its premises for the entire duration of the provision of the Service and a period of three (3) years thereafter, and is accessible, upon reasonable notice, during Normal Business Hours, for inspection by Connect 24. Upon request, Dealer shall deliver to Connect 24 the original signed Subscriber Acknowledgement and Limitation of Liability Agreement as attached on Schedule C, and acknowledges and agrees that same is for the benefit of Connect 24 and is an absolute requirement of Connect 24 providing service pursuant to this Agreement.
- 7.4 <u>Dealer's Use of Connect 24 and Cingular Materials</u>. Unless otherwise provided for in the terms and conditions of use of Connect 24 or Cingular materials or programs provided by Connect 24 or Cingular for distribution or use by Dealer in conjunction with the use of the Service, such materials or programs shall remain the exclusive and confidential property of Connect 24 or Cingular, as the case may be, and are licensed solely for use in conjunction with the Service under the terms and conditions of this Agreement. Such materials or programs shall not be reproduced or copied except as required for the authorized use of the Service, and shall be returned to Connect 24 or Cingular upon request.

7.5 <u>Equipment</u>.

- (a) Dealer shall not resell the Service to any End User other than for use with the Equipment.
- (b) Connect 24 shall not be responsible to Dealer or any End User for the installation, operation, quality of transmission, testing or maintenance of any equipment, including the Equipment, or other devices used to receive the Service. Connect 24 shall have no obligation to sell or otherwise provide Equipment to Dealer or to End Users.

7.6 <u>Obligations to End Users</u>.

- (a) With respect to the matters covered by this Agreement, Connect 24 shall be obligated only to Dealer, subject to the terms and conditions of this Agreement, and not to End Users with whom Connect 24 is not in privity, which Dealer hereby acknowledges. End Users shall not be deemed to be third-party beneficiaries of this Agreement.
- (b) Dealer shall provide an adequate and properly trained staff to receive and investigate any complaints relating to the operation and provision of Connect 24 Service. Dealer will report in writing to Connect 24 any such complaints after Dealer has made a good faith effort to confirm that such complaints are based on a reason other than Dealer's mistake, the misuse or malfunctioning of Subscriber's Equipment, or the use of incompatible, non-authorized equipment.
- (c) Dealer shall provide 24-hour emergency standby service available by telephone, answering service or pager for its End Users, relating to Service, and will report any problems with the Service to Connect 24 only upon reasonable verification that such problems are based on a reason other than Dealer's mistake, the misuse or malfunctioning of End User's Equipment, or the use of incompatible, non-authorized equipment. Dealer shall provide prompt repair and instructional services in a professional and workmanlike manner to End Users.
- (d) Dealer shall not make any claims about Connect 24 or the Services that are not consistent with the most recent printed materials of Connect 24 provided to Dealer for marketing purposes.
- 7.7 <u>Ethical Responsibilities</u>. Dealer shall employ the highest standards of business conduct in the performance of its obligations under this Agreement and Dealer shall refrain from doing anything that would tend to discredit, dishonor, reflect adversely upon, or injure, in any manner, the reputation of Connect 24, Cingular, Dealer, or any other customers or dealers of Connect 24. Each party shall be governed in all its dealings with respect to this Agreement by the highest standards of honesty, integrity, and fair dealing.
- 7.8 Responsibility for Actions or Omissions. Dealer shall be solely responsible for all risks and expenses incurred in connection with its actions or omissions in its marketing and resale to End Users of the Service or otherwise relating to this Agreement. Dealer shall act in all respects on its own account, and shall be solely responsible for such things as credit verification, deposits, billing, collection, consolidation, rebilling, End User complaints, charges for usage, bad debts, and all amounts due to Connect 24 with respect to any Connect 24 Service provided to an End User pursuant to this Agreement. Dealer is responsible for the performance of its agents, if any, and shall ensure that its agents are in compliance with any applicable terms of this Agreement, any controlling tariffs, and any other applicable industry standards
- 7.9 <u>No Rights to Connect 24's Facilities.</u> No provision of this Agreement shall be construed as vesting in the Dealer any control or ownership interest whatsoever in any facilities or operations of Connect 24.
- 7.10 <u>Insurance</u>. Dealer shall keep in full force and effect a policy of public liability, personal injury, property damage, and

contractual liability insurance, which insurance shall cover each occurrence in an amount not less than \$1 million.

8. CONNECT 24'S OBLIGATIONS

- 8.1 <u>Connect 24's Service</u>. Connect 24 will provide Service during the Term to Dealer subject to the terms and conditions specified in this Agreement. Connect 24's obligations to provide Service is conditioned upon Connect 24's ability to obtain, retain, and maintain, without unreasonable expense, suitable facilities, equipment, licenses, and rights to provide Service from Cingular. Connect 24's obligation to provide Service is further conditioned upon Dealer's compliance with the terms and conditions of this Agreement.
- 8.2 <u>Notice of Material Change in Service</u>. Connect 24 agrees to provide reasonable notice to Dealer of any material changes in Service of either a permanent or temporary nature.
- TRADEMARKS AND TRADENAMES. recognizes the right, title, and/or interest of Connect 24 through ownership or license in and to all service marks, trademarks, and trade names owned by Connect 24 or used in connection with Service by Connect 24 (the "Marks"). Dealer agrees not to engage in any activities or commit any acts, directly or indirectly, which may contest, dispute, or otherwise impair such right, title, and interest of Connect 24 therein. Any use of the word"Connect 24" _", alone or combined with any other word or phrase for a logo, trademark, service mark or trade name shall require the prior written consent of Connect 24.. Connect 24 hereby grants to Dealer the right to use such Marks and all related designs solely in the United States in connection with resale of the Service and in furtherance of the purposes of this Agreement, provided that such rights to use the Connect 24 name and all related designs shall terminate immediately and without further action upon the termination or expiration of this Agreement, or upon the written request of Connect 24 or its agents. Connect 24 reserves the right to revoke the license to use any or all of the Marks at any time. Dealer shall not use any trademarks owned by Cingular.

10. CONFIDENTIALITY

10.1 Confidential Information. During the term of this Agreement either party may (but shall not be obligated to disclose to) the other information which is considered proprietary or confidential and is so designated by the disclosing party ("Confidential Information"). Without the disclosing party's specific prior written consent, disclosure of Confidential Information shall not be made to a third party (including, but not limited to, End Users), with the exception of Cingular and its agents, and the End User's central station, of any information which is designated Confidential Information and which is supplied by one party to the other party, and which information is not otherwise generally available to the public or is not already known to the other party; provided, however, either party may disclose such information in compliance with a valid order or requirement from a state or federal agency or court of competent jurisdiction. Connect 24 may disclose such information as necessary to an agent retained by Connect 24 to collect outstanding balances owed to Connect 24 by Dealer, or to perform other administrative functions for Connect 24, provided that the information is released solely for these purposes. Connect 24 shall treat all confidential or proprietary information supplied to Connect 24 by Dealer as privileged as strictly confidential.

11. RESTRICTIONS ON USE

- 11.1 <u>Abuse or Fraudulent Use</u>. Service is furnished subject to the condition that there will be no abuse or fraudulent use thereof. Abuse and fraudulent use of Service by Dealer or an End User that would constitute an Event of Default under Section 1.8(h) of Schedule A include, but are not limited to:
 - (a) Attempting or assisting another to access, alter,

- or interfere with the communications of and/or information about another End User or customer:
- (b) Tampering with or making an unauthorized connection with any Facilities of Connect 24;
- (c) Using or assisting another to use any scheme, false representation, or false credit device, or other fraudulent means or devices in connection with the Service;
- (d) Using Service in such a manner so as to interfere unreasonably with the use of Service by one or more other End Users or to interfere unreasonably with Connect 24's ability to provide Service; and
- (e) Using Service to convey information which is obscene, salacious, prurient, or unlawful. Dealer will inform Connect 24 in a timely fashion of knowledge of fraudulent or abusive uses of the Service. Failure to inform Connect 24 will constitute an Event of Default under this Agreement.
- 11.2 <u>Cancellation of Service to End User</u>. Connect 24 may, by written notice, require Dealer to cancel the right to market or use Service by any of its agents or End Users abusing or fraudulently marketing or using Service within ten (10) days of receipt by Dealer of such notice. Notwithstanding the foregoing, if any End User is abusing or fraudulently using the Service, Dealer or Connect 24 may immediately cancel such End User's Service. Pursuant to Section 13.2, if any Dealer or any of Dealer's agents is abusing or fraudulently using the Service, Connect 24 may immediately terminate this Agreement.
- 11.3 Interference. The parties understand that from time to time one or more End Users may interfere with the System in such a ways to impair the quality of Service provided by Connect 24 to its customers; accordingly, upon discovery of any such abuse by an End User by either of the parties thereto, the party having such knowledge shall promptly notify the other party, and the Dealer shall immediately order the End User to cease from engaging in such act(s) of interference. Connect 24 shall have the right to discontinue Service to that End User. Should such acts continue. Dealer shall assist Connect 24 in taking all actions reasonably necessary to prevent further interference.
- INDEMNIFICATION. Dealer and Connect 24 each hereby agree to defend, indemnify, and hold harmless each other and each other's Affiliates, and their former, current and future officers, directors, employees, agents, successors, and assigns, from and again any claims, costs, and expenses, including punitive damages, court costs, and reasonable attorneys' and expert witness fees before and at trial and on appeal (collectively, "Claims"), arising from a breach of this Agreement by, or any conduct in connection with this Agreement of, the indemnifying party (including such party's Affiliates, and their officers, directors, employees, agents, and contractors). Dealer further agrees to defend, indemnify, and hold harmless Connect 24 and Cingular and their Affiliates, and their respective former, current, and future officers, directors, employees, agents, successors, and assigns, from and against any Claims of End User; provided, however, that the obligations (of both Dealer and Connect 24) to defend, indemnify, and hold harmless shall not apply to the extent that such Claims result from the other party's gross negligence or willful misconduct. Within ten days (10) after being notified of any Claim to which these indemnification obligations may apply, the party receiving such notice shall notify the party from whom the indemnification is sought (the "Indemnifying Party"), and shall give reasonable opportunity to the Indemnifying Party to defend the Claims at its own expense and with counsel of its own selection; provided, however, that the party seeking indemnification shall at all time have the right to participate fully (at its own expense) in the defense of and to approve any settlement of the Claim. If the Indemnifying Party shall, within thirty (30) days after notice, fail to accept defense of the Claim, then the party seeking

indemnification shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle (exercising reasonable business judgment), the Claim on behalf, for the account, and at the risk of the Indemnifying Party. If the Claims cannot by their nature be defended solely by one party, the other party shall make available all information and assistance that may be reasonable be requested, regardless of any obligations to indemnify hereunder.

13. TERMINATION.

- 13.1 <u>Termination Without Cause.</u> A Termination shall be deemed to be without cause if it occurs in the absence of an Event of Default. This Agreement may be terminated upon ninety (90) days written notice by either party subject to payment of all charges and other sums due under Article 4 through the effective date of such termination. If Dealer terminates the Agreement without cause prior to the expiration of any term commitment under any Service Plan, Dealer shall be obligated to pay any cancellation fee specified in Schedule B.
- Termination For Cause. This Agreement may be terminated upon an Event of Default by either party if such Event of Default is not cured by the defaulting party within thirty (30) days of receipt of written notice of the Event of Default; provided, however, that in the case of an Event of Default under Section 1.8(c) of Schedule A (Dealer's Default for failure to pay Connect 24 any sums due (including providing any required deposits)), or (ii) a violation of Article 9 ((Trade Names and Trademarks), or (iii) Article 11 (Restrictions on Use), this Agreement may be terminated if such Event of Default is not cured within ten (10) days of receipt of written notice of such Event of Default; and further provided that in the event of an Event of Default under Section 1.8(h) (Abusive or Fraudulent Use) by Dealer, Connect 24 may, at its option, immediately terminate this Agreement. If such Event of Default remains uncured, Termination shall be effective on the expiration of the cure period without the requirement of additional notice. Such Termination shall be without prejudice to any other rights or remedies the non-defaulting party may have at law or equity.
- 13.3 <u>Survival of Obligations</u>. The obligations undertaken by the parties pursuant to Articles 5, 6, 7, 8, 9, 10 and 12 shall survive termination of this Agreement.
- 13.4 <u>Continuing Obligations</u>. Termination pursuant to the terms of this Agreement, regardless of cause or nature, shall be without prejudice to any other rights or remedies of the Parties, and Dealer shall remain solely responsible for its obligations to its agents and End Users. Termination of this Agreement with or without cause shall not release either party hereto from any liability which at the time of termination has already accrued to the other party or which thereafter may accrue in respect to any act or omission prior to termination, or from any obligation which is expressly stated herein to survive termination; provided, however, that Connect 24 may, without liability, cancel any previously accepted orders for Service for which there has not yet been Activation on or before the date of Termination.
- 13.5 No Connect 24 Obligation for Continuing Service to End Users. Upon Termination, Connect 24 shall have no further obligation to provide Service to Dealer. However, in order to avoid disruption of Service to End Users, Connect 24 may continue Service directly to any End User who meets Connect 24's credit requirements, and enters into a contract for Service with Connect 24. In the event of Termination of this Agreement, Connect 24 may contact End Users for the purpose of advising each End User how to maintain access to the Service. Dealer shall cooperate with Connect 24 to enable all End Users to continue to have access to the Service with minimal disruption, including, but not limited to, arranging for another reseller or Connect 24 to provide Service directly to such End User, or Dealer shall promptly provide Connect 24 with adequate information on such End User so that

Connect 24 can arrange for the provision of Service to such End Users. Notwithstanding the foregoing, Connect 24 shall be under no obligation to continue to provide the Service to any End User.

13.6 <u>Notice of Dealer's Intended Sale of Its Business or Dealer Lists.</u> In addition, in order to reduce the risk of service disruption to End Users and without reducing the value of Dealer's business, during the Term of this Agreement and for 90 days following Termination, Dealer shall be obligated to provide Connect 24 with reasonable notice of its interest in selling all or a part of its cellular alarm resale business, cellular alarm resale customer lists, or cellular alarm resale End Users' service accounts arising out of this Agreement.

14. MISCELLANEOUS.

- 14.1 <u>Assignment.</u> No rights or obligations hereunder shall be assigned or delegated, in whole or in part, by Dealer to any other person, firm, corporation, or other entity, except a parent corporation which owns 100% of the equity securities of Dealer at the time this Agreement is made, without Connect 24's prior written consent. For purposes of this provision, any change in the ultimate control of Dealer, by stock sale, merger, consolidation, or any other means, shall constitute an assignment subject to the consent requirements hereof. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and permitted assigns. Connect 24 may assign its rights and obligations under this Agreement at any time upon notice to Dealer.
- 14.2 <u>Governing Law.</u> The validity, construction, and performance of this Agreement shall be governed by and interpreted in accordance with the laws of the State of Delaware, without giving effect to its provisions governing conflicts of laws.
- Arbitration. Except as stated in Section 14.4, all claims and disputes relating in any way to the performance, interpretation, validity, or breach of this Agreement shall be referred to final and binding arbitration under the commercial arbitration rules of the American Arbitration Association. A single neutral arbitrator shall decide claims of less than \$100,000. All documents, materials, and information in the possession of each party and in any way relevant to the claims or disputes shall be made available to the other party for review and copying not later than 60 days after the notice of arbitration is served. To the extent that either party would be required to make confidential information available to the other, an agreement or an order shall be entered in the proceeding protecting the confidentiality of and limiting access to such information before either party is required to produce such information. Information produced by either party shall be used exclusively in the arbitration or litigation that may arise, and shall not otherwise be disclosed. In no event shall either party be entitled to punitive damages in any arbitration or judicial proceeding and each party hereby waives its rights to any punitive damages. In the event an arbitration panel or a court concludes that the punitive damages waiver contained in the previous sentence is unenforceable, then the parties agree that the court with subject matter jurisdiction over the confirmation of the award shall have sole and exclusive jurisdiction to determine issues of entitlement and amount of punitive damages. The arbitrators shall NOT have subject matter jurisdiction to decide any issues relating to the statute of limitations or amounts in excess of \$100,000, exclusive of interests and costs, and the parties hereby stipulate to stay the arbitration proceeding (without the need of a bond) until any such issues in dispute are resolved.
- 14.4 <u>Jurisdiction and Venue</u>. The parties hereby consent to the sole and exclusive jurisdiction and venue of the State and federal courts located in Delaware, for the following matters: (a) disputes relating to the statute of limitations; (b) contractual claims where the amount in dispute (excluding interests and costs) exceeds \$100,000.00; (c) disputes relating to any "non-contractual" claim (i.e., those not

governed by Section 14.3); and (d) the entry of a judgment confirming an arbitrator's award.

- 14.5 Attorneys' Fees. In the event an action or proceeding (including an arbitration) is commenced by either party to enforce the terms of this Agreement, the substantially prevailing party in such action shall be entitled to its reasonable costs and attorneys' and expert witness' fees incurred therein through appeal. For purposes of this Section, the efforts of in-house attorneys and their staff shall be valued at rates prevailing in the market for private practitioners.
- 14.6 <u>Headings</u>. Headings to articles and Sections of this Agreement are to facilitate reference only, do not form part of this Agreement, and shall not in any way affect the interpretation hereof.
- 14.7 <u>Waiver</u>. The waiver, express or implied, by either party of any rights hereunder or of any failure to perform or breach hereof by the other party shall not constitute or be deemed a waiver of any other right hereunder or any other failure to perform or breach hereof by the other party, whether of a similar or dissimilar nature.
- 14.8 No Agency. Neither party is authorized to act as an agent for, or legal representative of, the other party, nor shall either party have authority to assume or create any obligation on behalf of, in the name of, or that shall be binding upon, the other party. Dealer shall not represent itself as an agent of Connect 24 in any manner not specifically provided for herein. All sales by Dealer shall be in its own name and for its own account.
- 14.9 <u>Notices</u>. Except as otherwise provided in this Agreement, all notices required or permitted to be given hereunder shall be in writing and shall be delivered: (i) personally; (ii) by certified mail, return receipt requested; (i) by an overnight courier service having a record of receipt; or (ii) by facsimile, with a valid transaction report and a confirming copy sent by one of the other three methods described in this sentence. Notices shall be deemed received the same day that they were sent if sent by methods (i) or (iv); the next day if sent by method (iii); and three business days later if sent by method (ii). Notices shall be addressed as follows:

(a) If to DEALER:

Corporate Name Street Address City/State/Zip Code

(a) If to CONNECT 24:

TYCO Safety Products Canada Ltd. ATTN: Operation Manager 3301 Langstaff Road Concord, Ontario Canada L4K4L2

Either party hereto may change its address by a notice given to the other party hereto in the manner set forth above. All notices shall be effective on receipt.

14.10 <u>Forms.</u> All notices and communications given by Dealer to Connect 24 under this Agreement - including orders, Activation requests, deactivation requests, suspension requests, feature modifications, fraud notices, etc. - shall be submitted by Dealer on forms prescribed by Connect 24. This Section does not apply to any notice of termination of the Agreement. Connect 24 may, at its option, approve the use of non-standard forms and may condition any such approval on payment of a reasonable charge for the handling of non-standard forms.

- 14.11 Severability. Should any part of this Agreement for any reason be declared invalid by court order or by any regulatory agency, such order shall not affect the validity of any remaining portion, and the remaining portion of the Agreement shall continue in full force and effect, unless such order materially alters the nature of the obligations of either party hereto. In such event, this Agreement shall immediately terminate.
- 14.12 <u>Force Majeure</u>. Each party's performance under this Agreement shall be excused if such non-performance is due to governmental orders, equipment failure, inability or delay in securing equipment, civil commotion, acts of nature, weather disturbances, and other circumstances beyond the party's reasonable control.
- 14.13 <u>Entire Agreement</u>. With respect to the subject matter hereof, this Agreement represents the entire Agreement between the parties hereto and, except as expressly provided, shall not be affected by reference to any other documents. The terms and conditions of this Agreement supersede any other agreements or understandings, including prior or contemporaneous representations of sales representatives or other Connect 24 personnel, whether oral or written.
- 14.14 <u>Counterparts.</u> This Agreement may be executed in one or more counterparts, each of which shall constitute an original agreement, but all of which together shall constitute one and the same instrument.
- 14.15 <u>Compliance with Laws</u>. Connect 24 and Dealer shall at all times comply in all material respects with all laws, rules, and regulations applicable to the performance of this Agreement.
- Amendments. Dealer acknowledges that, from time to 14.16 time, Connect 24 may find it necessary to change or update certain procedures set forth in this Agreement in order to more efficiently conduct is business and provide Service to Dealer. Such changes or updates may be accomplished by Connect 24 providing thirty (30) days written notice to Dealer. Except as otherwise provided herein, this Agreement may be amended by Connect 24 alone upon ninety (90) days written notice to Dealer. If Connect 24 notifies Dealer of an amendment to this Agreement and such amendment is unacceptable to Dealer, then Dealer has the right to terminate this Agreement upon thirty (30) days prior notice given not more than sixty (60) days after Dealer received notice of the amendment; provided, however, that if Connect 24 rescinds the amendment within twenty (20) days after receiving Dealer's notice, this Agreement will not terminate, but shall continue in full force and effect. This Agreement shall be deemed automatically amended to the extent it is inconsistent with any tariff required to be filed by any party relating to provision of the Service.
- 14.17 <u>Costs and Expenses.</u> Except as otherwise specifically provided herein, each party shall bear all costs and expenses incurred in the performance by it of its obligations hereunder.
- 14.18 <u>Independent Parties</u> Each party is an independent contractor. Except as provided in this Agreement, neither party shall have the right, power or authority to act or to create any obligation, express or implied, on behalf of the other party. All sales by Dealer shall be in its own name and for its own account. No provision of this Agreement shall be construed as vesting in Dealer any control over or interest in the facilities or operations of Connect 24 or the Service. Dealer shall not represent itself as a licensee of Connect 24 or of the Service.
- 15. INDEPENDENT INVESTIGATION. CONNECT 24
 AND DEALER ACKNOWLEDGE THEY HAVE READ THIS
 AGREEMENT AND UNDERSTAND AND ACCEPT THE TERMS,
 CONDITIONS, AND COVENANTS CONTAINED HEREIN AS
 BEING REASONABLY NECESSARY TO MAINTAIN CONNECT
 24'S HIGH STANDARDS FOR SERVICE. DEALER
 ACKNOWLEDGES AND UNDERSTANDS THAT CONNECT 24

MAY AT ANY TIME ALSO BE ENGAGED DIRECTLY OR INDIRECTLY THROUGH OTHER DEALERS, OR OUTLETS OF ANY KIND, IN SOLICITING POTENTIAL CUSTOMERS FOR THE SERVICE OR OTHER SERVICES OR PRODUCTS OR FOR THE SALE, LEASE, INSTALLATION, REPAIR, OR SERVICING OF EQUIPMENT IN THE AREA. DEALER ALSO ACKNOWLEDGES AND UNDERSTANDS THAT CONNECT 24 MAY SELL THE SERVICE TO OTHERS WHO MAY RESELL IT. DEALER HAS INDEPENDENTLY INVESTIGATED THE FIXED POINT CELLULAR ALARM SERVICE OR EQUIPMENT SALE/LEASING BUSINESS AND THE PROFITABILITY (IF ANY) AND RISKS THEREOF AND IS NOT RELYING ON ANY REPRESENTATION, GUARANTEE, OR STATEMENT OF CONNECT 24 OTHER THAN AS SET FORTH IN THIS AGREEMENT

IN PARTICULAR, DEALER ACKNOWLEDGES THAT CONNECT 24 HAS NOT REPRESENTED: (a) DEALER'S PROSPECTS OR CHANCES FOR SUCCESS SELLING SERVICES UNDER THIS AGREEMENT; (b) THE TOTAL INVESTMENT THAT DEALER MAY NEED TO MAKE TO OPERATE UNDER THIS AGREEMENT (CONNECT 24 DOES NOT KNOW THE AMOUNT OF THE TOTAL INVESTMENT THAT MAY BE REQUIRED FOR THIS PURPOSE); OR (c) THAT IT WILL LIMIT ITS EFFORTS TO SELL SERVICE OR ESTABLISH OTHER RESELLING CUSTOMERS IN THE AREA.

DEALER ALSO ACKNOWLEDGES THAT CONNECT 24 HAS NOT REPRESENTED TO IT THAT: (a) CONNECT 24 WILL PROVIDE LOCATIONS OR ASSIST DEALER TO FIND LOCATIONS TO PROMOTE THE SALE OF SERVICE UNDER THIS AGREEMENT; (b) CONNECT 24 WILL PURCHASE ANY PRODUCTS MADE BY DEALER THAT ARE IN ANY WAY ASSOCIATED WITH THE SERVICE SOLD BY DEALER UNDER THIS AGREEMENT; (c) DEALER WILL DERIVE INCOME FROM THE SALE OF CONNECT 24'S SERVICES UNDER THIS AGREEMENT, OR CONNECT 24 WILL REFUND ANY PAYMENTS MADE BY DEALER TO CONNECT 24 UNDER THIS AGREEMENT; OR (d) CONNECT 24 WILL PROVIDE A SALE OR MARKETING PROGRAM THAT WILL ENABLE DEALER TO DERIVE INCOME UNDER THIS AGREEMENT.

DEALER FURTHER ACKNOWLEDGES THAT CONNECT 24 HAS NOT MADE ANY REPRESENTATIONS REGARDING: (a) THE QUANTITY OR QUALITY OF SERVICE TO BE SOLD BY DEALER; (b) THE PROVISION BY CONNECT 24 TO DEALER OF TRAINING AND MANAGEMENT ASSISTANCE; (c) THE AMOUNT OF PROFITS, NET OR GROSS, THAT DEALER CAN EXPECT FROM ITS OPERATIONS UNDER THIS AGREEMENT; (d) THE SIZE (OTHER THAN THE GEOGRAPHIC AREA), CHOICE, POTENTIAL, OR DEMOGRAPHIC NATURE OF THE AREA IN WHICH CONNECT 24'S SERVICE IS AVAILABLE OR THE NUMBER OF OTHER DEALERS OR RESELLING CUSTOMERS THAT ARE OR MAY IN THE FUTURE OPERATE IN THAT AREA; (e) THE TERMINATION, TRANSFER, OR RENEWAL PROVISIONS OF THIS AGREEMENT OTHER THAN AS SET FORTH IN THE AGREEMENT; OR (f) THE SPONSORSHIP OR PARTICIPATION OF A PRIMARY MARKETER OF TRADEMARK PRODUCTS OR SERVICES IN DEALER'S OPERATIONS UNDER THIS AGREEMENT OTHER THAN AS MAY BE SET FORTH IN THIS DEALER ACKNOWLEDGES THAT IT AGREEMENT UNDERSTANDS THAT IT WILL NOT OBTAIN ANY EXCLUSIVE RIGHTS UNDER THIS AGREEMENT, EITHER WITH RESPECT TO THE AREA OR OTHERWISE, AND

UNDERSTANDS THAT CONNECT 24 MAY APPOINT OTHER DEALERS OR CUSTOMERS IN THE AREA AFFECTED BY THIS AGREEMENT. DEALER ALSO ACKNOWLEDGES THAT CONNECT 24 CANNOT CALCULATE IN ADVANCE THE TOTAL AMOUNT THAT DEALER MUST PAY TO CONNECT 24 UNDER THIS AGREEMENT AS THAT AMOUNT DEPENDS ON THE QUANTITY OF SERVICE THAT DEALER'S END USERS PURCHASE.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers as of	
the day and year first above written.	

TYCO Safety Products Canada Ltd.	DEALER NAME:
By:	Ву:
Name: (print)	Name: (print)
Title: (print)	Title: (print)
Date:	Date:

SCHEDULE A

DEFINITIONS. The following terms when used herein shall have the following meanings:

- 1.1 <u>Activation</u> shall mean the initiation of the Service to any End User for the account of Dealer.
- 1.2 <u>Affiliate</u> shall mean any person, partnership, corporation, or other business association (hereinafter "person") that directly or indirectly controls, is controlled by, or is under common control with another person. Control shall be defined as (i) ownership of a majority of the voting power of all classes of voting stock, or (ii) ownership of a majority of the beneficial interests in income or capital of an entity other than a corporation.
- 1.3 <u>Approved Service Agreement</u> shall mean a form of service agreement for use by the Dealer in reselling the service to End Users. An ?Approved Service Agreement? shall consist of:
 - i) the form of agreement to be used by the Dealer or its agent, to be signed by the Subscriber, which has been submitted to Connect 24 for approval within 30 days of the date of this Agreement; and
 - ii) a Subscriber Acknowledgement and Limitation of Liability Agreement as attached on Schedule C.
- 1.4 <u>Area</u> shall mean the entire continental United States, except those areas where in which the Service is not yet available pursuant to agreement with Cingular.
- 1.5 <u>End User</u> shall mean any person or entity purchasing Service, directly or indirectly, from or through Dealer.
- 1.6 End User Service Agreement shall mean an agreement in the form of an Approved Service Agreement between the Dealer and an End User including a copy of Schedule C of this Agreement.
- 1.7 <u>Equipment</u> shall mean GS3055-I_transceivers utilizing GSM/GPRS technology that emit alarm signals in the form of assigned electronic serial numbers ("SIMS").
- 1.8 Events of Default shall mean the following:
 - (a) the execution of any assignment for the benefit of creditors or the filing for relief by Dealer under any applicable bankruptcy, reorganization, moratorium, or similar debtor relief laws;
 - (b) the appointment of a receiver for Dealer for substantially all of its respective assets or properties;
 - (c) the failure of Dealer to pay any sum owed to the other hereunder at the time such amount comes due;
 - (d) the failure of Dealer to perform or observe any other material term, condition, or covenant to be performed by it under this Agreement;
 - (e) the commission of any illegal act (excluding misdemeanor traffic offenses and other minor misdemeanors not involving dishonesty or moral turpitude) by Dealer or the filing of any criminal indictment against Dealer, its Affiliates, proprietors, partners, officers, directors or shareholders controlling the aggregate or individually 10% or more of the voting rights or equity interests of Dealer;
 - (f) the furnishing, within a 12-month period, by Dealer to Connect 24 of two or more checks that are not paid when presented due to insufficient funds;
 - (g) an unauthorized assignment of this Agreement;
 - (h) failure to terminate abusive or fraudulent uses of Service as set forth in Section 11.1 by Dealer, Dealer's Affiliates, Dealer's agents or any End User upon written notice to Dealer of such fraudulent or abusive uses or, where Dealer has actual or constructive knowledge of such fraudulent or abusive uses, and fails to inform Connect 24;

Upon the occurrence of any such Event of Default, a party shall be deemed to be in default of this Agreement, until such Event of Default is cured as set forth in Section 13.2.

- 1.9 <u>Normal Business Hours</u> shall mean 9:00 a.m. to 5:00 p.m., Monday through Friday, excluding Connect 24 observed holidays, at the office responsible for handling the pertinent interaction between Connect 24 and Dealer.
- 1.10 <u>Service</u> shall have the meaning set forth in the Recitals and any other services offered by Connect 24 to Dealer from time to time pursuant to a Schedule as amended to this Agreement.
- 1.11 <u>Service Plan</u> shall mean the rates, terms, and conditions under which Dealer purchases the Service from Connect 24 as set forth in Schedule B.

SCHEDULE B

TERMS OF CHARGES AND PAYMENTS

SERVICE PLANS

RESIDENTIAL / RETAIL includes all normal alarm activity, and one weekly test signal to the Central Station.

BASE RATE via Connect24: \$5.95 / month

BILLING

All account activations for a given month will be invoiced at the end of that month for **ONE YEAR OF SERVICE** ("Term of Service") up front. Billing is automatic upon activation. (i.e.: Each new RESIDENTIAL/RETAIL account will be invoiced at $12 \times 5.95 = 71.40$).

Each invoice is due Net 30 days from the date of invoice. Overdue amounts are subject to interest at a rate of 1.5% per month compounded monthly as set out in Article 4.5 of this Agreement.

Payments are to be submitted by cheque made payable to "CONNECT 24", and sent to the address indicated in Article 14.9(a)

ALL VALUES ARE IN US FUNDS.

TERMINATION OF ACCOUNT

Notwithstanding the provisions as outlined in this Agreement, all accounts must be terminated in writing to CONNECT 24.

A **cancellation fee** will be applied upon termination, as described in Article 13.1 of this Agreement. The cancellation fee will be equal to the amount of the unused portion of the monthly "Base Rate" for the outstanding Term of Service.

If an account is cancelled, prior to the receipt of payment, all monies for services already provided (months used, in whole or in part) is immediately due.

SCHEDULE C

SUBSCRIBER ACKNOWLEDGEMENT AND LIMITATION OF LIABILITY AGREEMENT

Subscriber acknowledges that the alarm dealer with whom Subscriber has contracted (the "Alarm Service Provider") has contracted with Tyco Safety Products Canada Ltd. O/A Connect 24 ("CONNECT 24") to transport alarm signals from Subscriber's premises to a monitoring station via a cellular communications network. The alarm signals are transported using a proprietary cellular technology known as the "Services". CONNECT 24 makes the Service available to the Alarm Service Provider by contracting with a cellular service provider operating cellular networks covering the location of the Subscriber's premises ("Associated Cellular Carrier"). CONNECT 24 and the Associated Cellular Carrier are collectively referred to herein as the "Providers". Subscriber acknowledges that Subscriber's contractual relationship is with the Alarm Service Provider and not with any of the Providers and that the Service is provided by the Providers without warranty and subject to the following limitations of liability.

- UNDERLYING WIRELESS SERVICE CARRIER AND SUBSCRIBER IS NOT A THIRD PARTY BENEFICIARY OF ANY AGREEMENT BETWEEN CONNECT 24 AND UNDERLYING CARRIER. SUBSCRIBER UNDERSTANDS AND AGREES THAT THE UNDERLYING CARRIER SHALL HAVE NO LEGAL, EQUITABLE, OR OTHER LIABILITY OF ANY KIND TO SUBSCRIBER. IN ANY EVENT, REGARDLESS OF THE FORM OF THE ACTION, WHETHER FOR BREACH OF CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY IN TORT OR OTHERWISE, SUBSCRIBER'S EXCLUSIVE REMEDY FOR CLAIMS ARISING IN ANY WAY IN CONNECTION WITH THIS AGREEMENT, FOR ANY CAUSE WHATSOEVER, INCLUDING BUT NOT LIMITED TO ANY FAILURE OR DISRUPTION OF SERVICE PROVIDED HEREUNDER, IS LIMITED TO PAYMENT OF DAMAGES IN AN AMOUNT NOT TO EXCEED THE AMOUNT PAID BY SUBSCRIBER FOR THE SERVICES DURING THE TWO (2)-MONTH PERIOD PRECEDING THE DATE THE CLAIM AROSE.
- (ii) SUBSCRIBER SHALL INDEMNIFY AND HOLD HARMLESS THE UNDERLYING WIRELESS SERVICE CARRIER AND ITS OFFICERS, EMPLOYEES, AND AGENTS AGAINST ANY AND ALL CLAIMS, INCLUDING WITHOUT LIMITATION CLAIMS FOR LIBEL, SLANDER, OR ANY PROPERTY DAMAGE, PERSONAL INJURY OR DEATH, ARISING IN ANY WAY, DIRECTLY OR INDIRECTLY, IN CONNECTION WITH THIS AGREEMENT OR THE USE, FAILURE TO USE, OR INABILITY TO USE THE NUMBER EXCEPT WHERE THE CLAIMS RESULT FROM THE UNDERLYING CARRIER'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. THIS INDEMNITY SHALL SURVIVE THE TERMINATION OF THE AGREEMENT.
- (iii) SUBSCRIBER HAS NO PROPERTY RIGHT IN ANY NUMBER ASSIGNED TO IT, AND UNDERSTANDS THAT ANY SUCH NUMBER CAN BE CHANGED FROM TIME TO TIME. THE PROVIDERS WILL PROVIDE FIVE (5) DAYS NOTICE OF SUCH CHANGE.

- (iv) SUBSCRIBER UNDERSTANDS THAT CONNECT 24 AND THE UNDERLYING CARRIER CANNOT GUARANTY THE SECURITY OF WIRELESS TRANSMISSIONS, AND WILL NOT BE LIABLE FOR ANY LACK OF SECURITY RELATING TO THE USE OF THE SERVICES.
- (v) THE SERVICE IS FOR SUBSCRIBER'S USE ONLY AND SUBSCRIBER MAY NOT RESELL THE SERVICE TO ANY OTHER PARTY.

NONE OF THE PROVIDERS SHALL BE LIABLE FOR ANY MISTAKE, OMISSION, INTERRUPTION OR DEFECT IN THE SERVICE CAUSED BY THE NEGLIGENCE OR WILFUL ACT OF THE ALARM SERVICE PROVIDER, SUBSCRIBER, PARTIES OTHER THAN THE PROVIDERS, OR WHEN CAUSED BY ACTS OF GOD, FIRE, WAR, RIOTS, GOVERNMENT AUTHORITIES, DEFAULT OF SUPPLIER, OR OTHER CAUSES BEYOND THE CONTROL OF THE PROVIDERS, INCLUDING WITHOUT LIMITATION DEFECT IN OR FAILURE OF EQUIPMENT PROVIDED BY THE ALARM SERVICE PROVIDER OR ANY PARTY OTHER THAN THE PROVIDERS.

NONE OF THE PROVIDERS SHALL HAVE ANY LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES RESULTING FROM ANY DEFAULT OR BREACH OF DUTY BY THE PROVIDER.

THE SERVICE IS PROVIDED WITHOUT WARRANTY OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OR MERCHANTABILITY AND ANY WARRANTY THAT THE SERVICE IS FIT FOR ANY PARTICULAR PURPOSE. SUBSCRIBER UNDERSTANDS AND AGREES THAT (A) ONE HUNDRED PERCENT OF MESSAGES MAY NOT BE DELIVERED; (B) THE PROVIDERS WILL NOT BE LIABLE TO SUBSCRIBER FOR ANY MESSAGES DELETED OR NOT DELIVERED, REGARDLESS OF THE REASON FOR DELETION OR NONDELIVERY, INCLUDING, WITHOUT LIMITATION, MESSAGE PROCESSING OR TRANSMISSION ERRORS; AND (C) THE PROVIDERS MAKE NO REPRESETNATION OR WARRANTY REGARDING THE QUALITY, TIMELINESS OR SECURITY OF THE SERVICE OR THAT THE SERVICE WILL BE UNINTERRUPTED, ERROR FREE, FREE FROM UNAUTHORIZED ACCESS, OR THAT ALL MESSAGES WILL BE DELIVERED.

Alarm Service Provider Name	
Date	
-	