

TERMS AND CONDITIONS FOR THE SALE OF EQUIPMENT

1. Applicability.

(a) These terms and conditions of sale (“Terms and Conditions”) govern the sale of equipment (“Equipment”) by Alarmspecialists Inc. (“Seller”) to the Customer named on Customer Order (the “Order”) entered into by the parties (the “Buyer”).

(b) The Order and these Terms and Conditions (collectively, this “Agreement”) comprise the entire agreement between the parties related to the sale of Equipment, and supersede all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral. These Terms and Conditions prevail over any of Buyer’s general terms and conditions of purchase regardless whether or when Buyer has submitted its purchase order or such terms and conditions. Fulfillment of Buyer’s order does not constitute acceptance of any of Buyer’s terms and conditions and does not serve to modify or amend these Terms and Conditions.

2. Delivery of Equipment.

(a) The Equipment will be delivered within a reasonable time after the receipt of the executed Customer Order. Seller shall not be liable for any delays, loss, or damage in transit.

(b) Unless otherwise agreed in writing by the parties, Seller shall deliver the Equipment to Buyer’s location (the “Delivery Point”) using Seller’s standard methods for packaging and shipping such Equipment.

(c) Seller may, in its sole discretion, without liability or penalty, make partial shipments of Equipment to Buyer. Each shipment will constitute a separate sale, and Buyer shall pay for the units shipped whether such shipment is in whole or partial fulfillment of the Order.

3. **Quantity.** If Seller delivers to Buyer a quantity of Equipment of up to 10% more or less than the quantity set forth in the Sales Confirmation, Buyer shall not be entitled to object to or reject the Equipment or any portion of them by reason of the surplus or shortfall and shall pay for such Equipment the price set forth in the Sales Confirmation adjusted pro rata.

4. **Shipping Terms and Conditions.** Delivery of the Equipment shall be made FOB Seller’s location.

5. **Title and Risk of Loss.** Title and risk of loss passes to Buyer upon shipment. As collateral security for the payment of the purchase price of the Equipment, Buyer hereby grants to Seller a lien on and security interest in and to all of the right, title, and interest of Buyer in, to and under the Equipment, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. The security interest granted under this provision constitutes a purchase money security interest under the Colorado Uniform Commercial Code.

6. **Buyer’s Acts or Omissions.** If Seller’s performance of its obligations under this Agreement is prevented or delayed by any act or omission of Buyer or its agents, subcontractors, consultants, or employees, Seller shall not be deemed in breach of its obligations under this Agreement or otherwise liable for any costs, charges, or losses sustained or incurred by Buyer, in each case, to the extent arising directly or indirectly from such prevention or delay.

7. Inspection and Rejection of Nonconforming Equipment.

(a) Buyer shall inspect the Equipment within three days of receipt (the “Inspection Period”). Buyer will be deemed to have accepted the Equipment unless it notifies Seller in writing of any Nonconforming Equipment during the Inspection Period and furnishes such written evidence or other documentation as

reasonably required by Seller. "Nonconforming Equipment" means only the following: (i) product shipped is different than identified in Buyer's purchase order; or (ii) product's label or packaging incorrectly identifies its contents.

(b) If Buyer timely notifies Seller of any Nonconforming Equipment, Seller shall, in its sole discretion, (i) replace such Nonconforming Equipment with conforming Equipment, or (ii) credit or refund the Price for such Nonconforming Equipment, together with any reasonable shipping and handling expenses incurred by Buyer in connection therewith. Buyer shall ship, at its expense and risk of loss, the Nonconforming Equipment to Seller's facility. If Seller exercises its option to replace Nonconforming Equipment, Seller shall, after receiving Buyer's shipment of Nonconforming Equipment, ship to Buyer, at Buyer's expense and risk of loss, the replaced Equipment to the Delivery Point.

(c) Buyer acknowledges and agrees that the remedies set forth in Section 8(b) are Buyer's exclusive remedies for the delivery of Nonconforming Equipment. Except as provided under Section 8(b), all sales of Equipment to Buyer are made on a one-way basis and Buyer has no right to return Equipment purchased under this Agreement to Seller.

8. Price.

(a) Buyer shall purchase the Equipment from Seller at the prices (the "Prices") set forth in Order.

(b) All Prices are exclusive of all sales, use, and excise taxes, and any other similar taxes, duties, and charges of any kind imposed by any governmental authority on any amounts payable by Buyer. Buyer shall be responsible for all such charges, costs and taxes; provided, that, Buyer shall not be responsible for any taxes imposed on, or with respect to, Seller's income, revenues, gross receipts, personal or real property, or other assets.

9. Payment Terms and Conditions.

(a) Buyer shall pay all invoiced amounts due to Seller within thirty (30) days from the date of Seller's invoice. Buyer shall make all payments hereunder by wire transfer/check and in US dollars.

(b) Buyer shall pay interest on all late payments at the lesser of the rate of 1.5% per month or the highest rate permissible under applicable law, calculated daily and compounded monthly. Buyer shall reimburse Seller for all costs incurred in collecting any late payments, including, without limitation, attorneys' fees. In addition to all other remedies available under these Terms and Conditions or at law (which Seller does not waive by the exercise of any rights hereunder), Seller shall be entitled to suspend the delivery of any Equipment if Buyer fails to pay any amounts when due hereunder.

(c) Buyer shall not withhold payment of any amounts due and payable by reason of any set-off of any claim or dispute with Seller, whether relating to Seller's breach, bankruptcy or otherwise.

10. Disclaimer of Warranties.

(a) SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE EQUIPMENT, INCLUDING ANY (a) WARRANTY OF MERCHANTABILITY; (b) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; (c) WARRANTY OF TITLE; OR (d) WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, OR OTHERWISE. THE EQUIPMENT IS SUBJECT SOLELY TO THE TERMS AND CONDITIONS OF THE MANUFACTURER'S WARRANTY, IF ANY, APPLICABLE TO SUCH EQUIPMENT.

(b) BUYER FURTHER ACKNOWLEDGES AND AGREES THAT SELLER DOES NOT REPRESENT OR WARRANT THAT THE EQUIPMENT WILL NOT BE COMPROMISED OR CIRCUMVENTED; THAT THE EQUIPMENT WILL PREVENT ANY LOSS BY BURGLARY, HOLD-UP, FIRE OR OTHERWISE; OR THAT THE EQUIPMENT WILL IN ALL CASES

PROVIDE THE PROTECTION FOR WHICH IT IS INSTALLED OR INTENDED. BUYER ACKNOWLEDGES THAT BUYER ASSUMES ALL RISK FOR LOSS OR DAMAGES TO BUYER'S PREMISES AND ITS CONTENTS, AND THAT SELLER HAS MADE NO REPRESENTATIONS OR WARRANTIES, NOR HAS BUYER RELIED ON ANY REPRESENTATION OR WARRANTIES, EXPRESS OR IMPLIED.

11. Limitation of Liability.

(a) NEITHER SELLER NOR ITS REPRESENTATIVES SHALL BE LIABLE TO BUYER, OR ANYONE ELSE, FOR ANY LIABILITY, CLAIM, LOSS, DAMAGE OR EXPENSE OF ANY KIND, OR FOR ANY DIRECT, COLLATERAL, INCIDENTAL CONSEQUENTIAL, OR EXEMPLARY DAMAGES RELATIVE TO, ARISING FROM, CAUSED DIRECTLY OR INDIRECTLY BY THE EQUIPMENT, ITS INSTALLATION OR THE USE THEREOF OR ANY DEFICIENCY, DEFECT OR INADEQUACY OF THE EQUIPMENT AND IT IS EXPRESSLY AGREED THAT THE BUYER'S EXCLUSIVE REMEDY FOR ANY CAUSE OF ACTION RELATING TO THE PURCHASE, INSTALLATION AND/OR USE OF THE EQUIPMENT SHALL BE FOR ACTUAL DAMAGES IN AN AMOUNT NOT GREATER THAN THE PURCHASE PRICE OF THE EQUIPMENT WITH RESPECT TO WHICH SUCH CLAIM IS MADE, AND SELLERS' LIABILITY FOR ANY AND ALL LOSSES OR DAMAGES, INCLUDING PERSONAL INJURY OR PROPERTY DAMAGE, RESULTING FROM ANY CAUSE WHATSOEVER, INCLUDING WITHOUT LIMITATION NEGLIGENCE, STRICT LIABILITY, ANY OTHER TORT, BREACH OF CONTRACT AND BREACH OF WARRANTY SHALL IN NO EVENT EXCEED THE PURCHASE PRICE OF THE EQUIPMENT IN RESPECT TO WHICH THE CLAIM IS MADE, OR AT THE ELECTION OF SELLER THE RESTORATION, REPLACEMENT OR REPAIR OF SUCH EQUIPMENT.

12. Insurance. Buyer agrees to maintain at all times reasonable and appropriate insurance, including insurance covering the full value of Buyer's Premises and any contents. Customer does hereby for Buyer and any parties claiming under Buyer, release and discharge Seller from and against all hazards covered by the required insurance (or that would have been covered had insurance been obtained), and all claims against Seller arising out of such hazards, including any right of subrogation by Buyer's insurance carrier, are hereby waived.

13. Compliance with Law. Buyer shall comply with all applicable laws, regulations, and ordinances. Buyer shall maintain in effect all the licenses, permissions, authorizations, consents, and permits that it needs to carry out its obligations under this Agreement.

14. Termination. In addition to any remedies that may be provided under these Terms and Conditions, Seller may terminate this Agreement with immediate effect upon written notice to Buyer, if Buyer: (a) fails to pay any amount when due under this Agreement; (b) has not otherwise performed or complied with any of these Terms and Conditions, in whole or in part; or (c) becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization, or assignment for the benefit of creditors.

15. Waiver. No waiver by Seller of any of the provisions of this Agreement is effective unless explicitly set forth in writing and signed by Seller. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement operates, or may be construed, as a waiver thereof. No single or partial exercise of any right, remedy, power or privilege hereunder precludes any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

16. Confidential Information. All non-public, confidential or proprietary information of Seller, including but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts, or rebates, disclosed by Seller to Buyer, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not

marked, designated, or otherwise identified as “confidential” in connection with this Agreement is confidential, solely for the use of performing this Agreement and may not be disclosed or copied unless authorized in advance by Seller in writing. Upon Seller’s request, Buyer shall promptly return all documents and other materials received from Seller. Seller shall be entitled to injunctive relief for any violation of this Section. This Section does not apply to information that is: (a) in the public domain; (b) known to Buyer at the time of disclosure; or (c) rightfully obtained by Buyer on a non-confidential basis from a third party.

17. Force Majeure. Seller shall not be liable or responsible to Buyer, nor be deemed to have defaulted or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement when and to the extent such failure or delay is caused by or results from acts or circumstances beyond the reasonable control of Seller including, without limitation, acts of God, flood, fire, earthquake, explosion, governmental actions, war, invasion, or hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest, national emergency, revolution, insurrection, epidemic, lockouts, strikes or other labor disputes (whether or not relating to either party’s workforce), or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials, materials or telecommunication breakdown or power outage.

18. Assignment. Buyer shall not assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of Seller. Any purported assignment or delegation in violation of this Section is null and void. No assignment or delegation relieves Buyer of any of its obligations under this Agreement.

19. Relationship of the Parties. The relationship between the parties is that of independent contractors. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

20. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of these Terms and Conditions.

21. Governing Law. All matters arising out of or relating to this Agreement are governed by and construed in accordance with the internal laws of the State of Colorado without giving effect to any choice or conflict of law provision or rule (whether of the State of Colorado or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the State of Colorado.

22. Submission to Jurisdiction. Any legal suit, action, or proceeding arising out of or relating to this Agreement shall be instituted in the federal courts of the United States of America or the courts of the State of Colorado in each case located in the City and County of Denver, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding.

23. Notices. All notices, requests, consents, claims, demands, waivers, and other communications hereunder (each, a “Notice”) shall be in writing and addressed to the parties at the addresses set forth on the Order or to such other address that may be designated by the receiving party in writing. All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), facsimile (with confirmation of transmission), or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is effective only (a) upon receipt of the receiving party, and (b) if the party giving the Notice has complied with the requirements of this Section.

24. Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

25. Survival. Provisions of these Terms and Conditions which by their nature should apply beyond their Terms and Conditions will remain in force after any termination or expiration of this Agreement including, but not limited to, the following provisions: Insurance, Compliance with Laws, Confidential Information, Governing Law, Submission to Jurisdiction and Survival.

26. Amendment and Modification. These Terms and Conditions may only be amended or modified in a writing stating specifically that it amends these Terms and Conditions and is signed by an authorized representative of each party.