



The Notice of Cancellation may be sent to the contractor at the address noted on the contract.

ACO Lic No. 6730
C10 932413

THE ALARM COMPANY, INC.
P.O. Box 748, Los Gatos, California 95031-0748 • Phone (408) 358-1500 • Fax (408) 358-2090

INSTALLATION AND PURCHASE AGREEMENT

HOME IMPROVEMENT

INTRUSION FIRE HARD WIRE CARBON MONOXIDE NEW SYSTEM WIRELESS EXISTING SYSTEM BACKUP TRANSMISSION WATER FLOW VALVE OTHER _____

This Installation and Purchase Agreement is entered into on _____, 20_____, by and between _____ (you) and The Alarm Company, Inc., a California corporation (us).

YOUR INFORMATION

Contact Person: _____ Premises Address: _____
Billing Address: _____
Phone: _____ Cell Phone: _____ Email: _____
Owner (if different from above): _____

1. Installation. We shall sell and install, or cause to be installed, the equipment described in the Description of Equipment to be Installed (System) at your premises identified above (Premises). **You have chosen the System or service. Additional, different, or higher levels of protection and service were discussed with you and are available from us at an additional cost.**

Approximate Start Date: _____ **Approximate Completion Date:** _____

Starting the installation of wiring or the delivery of equipment to the Premises shall constitute substantial commencement of the work to be performed under this Agreement. *Our failure without lawful excuse to substantially commence work within 20 days from the approximate date specified in this Agreement is a violation of the Alarm Company Act and the Contractor's License Law.* Upon completion of the installation, we shall thoroughly instruct you on the proper use of the security System.

2. Description of the Project and Description of the Significant Materials to be Used and Equipment to be Installed.

DESCRIPTION OF PROJECT: _____
DESCRIPTION OF SIGNIFICANT MATERIALS TO BE USED AND EQUIPMENT TO BE INSTALLED

PER ATTACHED SCHEDULE OF PROTECTION

You have thoroughly discussed the central station monitoring services available with us. You do not want the System or its signals to be monitored. You understand that if there is an alarm, no signal will be sent to a central station, and that the applicable law-enforcement agency or fire department will not be dispatched. _____ Your Initials

3. Proposal. This proposal must be accepted within 20 days from the date on its face, or we may withdraw it.

4. Contract Price. \$ _____ Does not include electrical work or asbestos abatement.

You shall pay us, our agents, or assigns the CONTRACT PRICE for all installation, labor, services, equipment, or materials to be provided or installed under this Agreement. You shall not hold back or delay payment because of inclement or lack of suitable weather, while waiting for official building inspections, or for any other reason whatsoever. You agree to let us investigate your credit record, and to report your payment performance under this Agreement to credit agencies and credit reporting services.

5. Finance Charge. No finance charge or cost of credit is associated with this Agreement.

6. Down Payment. \$ _____ **THE DOWN PAYMENT MAY NOT EXCEED \$ 1,000 OR 10 PERCENT OF THE CONTRACT PRICE, WHICHEVER IS LESS.**

7. Schedule of Progress Payments. Payment upon Delivery of Equipment: \$ _____

Payment due on completion of rough wiring: \$ _____ Payment upon Completion: \$ _____

The schedule of progress payments must specifically describe each phase of work, including the type and amount of work or services scheduled to be supplied in each phase, along with the amount of each proposed progress payment. IT IS AGAINST THE LAW FOR A CONTRACTOR TO COLLECT PAYMENT FOR WORK NOT YET COMPLETED, OR FOR MATERIALS NOT YET DELIVERED. HOWEVER, A CONTRACTOR MAY REQUIRE A DOWNPAYMENT.

8. Liquidated Damages; Limitation of Liability. We and our divisions or affiliates are not insurers of your property or the personal safety of anyone in your home. You shall obtain all property, life, health, or disability insurance. The payments required are based solely upon the value of the System or services, and not on the value of your property or the property of others located in or on your Premises. We make no guarantee or warranty, including any implied warranty of merchantability or fitness, that the System will avert or prevent occurrences or the consequences therefrom, which the System or services is designed to detect or avert. It is impractical and extremely difficult to determine in advance (1) the value of your property or the property of others kept on the Premises, which may be lost, stolen, or damaged if the System or service does not operate properly; (2) the response time of any law-enforcement agency, fire department, paramedic unit, or guard service; (3) what portion, if any, of a loss, personal injury, or death would be proximately caused by our failure to perform or our active or passive negligence; or (4) whether a CCTV or access control system will detect or prevent unauthorized intrusions or activities.

If we are found liable for loss or damage of any kind whatsoever from our failure to perform any of our obligations under this Agreement, failure of the System, equipment, or service in any manner, breach of warranty, or our active or passive negligence, then our liability shall be limited to \$500 or 10% of the cost of this Agreement, whichever is less, as liquidated damages and not as a penalty. This shall be your only remedy regardless of the legal theory used.

You may obtain a higher liability limit by paying an additional charge. If you elect this option, a rider will be attached to this Agreement stating the terms, conditions, and amount of the limited liability and the additional charge. The rider and additional obligation shall in no manner whatsoever be interpreted to hold us as an insurer.

9. List of Documents to be Incorporated into the Contract. Notice of Cancellation; Schedule of Protection.

10. Commercial General Liability Insurance (CGL). We carry commercial general liability insurance written by _____ . You may call _____ at _____ to check our insurance coverage.

11. Limited Warranty. If the System does not operate properly, we will make all repairs and replace parts without cost to you for a period of two years from the date the System installation was completed. We may, in our sole discretion, either replace or repair the product or part, and may substitute new or reconditioned materials of equal quality at the time of replacement. This Limited Warranty does not include batteries, carbon monoxide detectors, hard drives, storage media, or other disposable items. Warranty service shall be provided Monday through Friday, excluding holidays, between the hours of 8:30 a.m. and 4:30 p.m. Emergency service is available at all other times at our premium labor rate. This Limited Warranty will be terminated immediately, and will be of no force or effect, if anyone other than an authorized company representative attempts the repair, service, or modification of any portion of the System. An adult must be at home at the time of the service call. You agree that we may program, alter, or repair the System remotely, and will allow us access to do so. We shall not be responsible for loss or damage while the System is under repair or is awaiting parts. This Limited Warranty does not cover any malfunction or damage caused by accident, misuse, acts of God, birds, rodents, or other animals.

After-warranty service will be provided as requested by you on a time and materials basis at our then current rates for parts and labor. A one-hour minimum will be charged for any service call. Payment must be made upon completion of the work. Any repair, service, replacement, or addition of equipment by us after the initial installation or programming of the System, whether covered by the Limited Warranty or otherwise, shall be governed by this Agreement, in particular Paragraphs 8, 24, and 30, which limit our liability.

We do not represent or warrant that the System or service may not be compromised or by-passed; will deter or prevent all burglaries, hold-ups, fires, smoke or water damage, or otherwise; or that it will in all cases provide the protection for which it was installed or intended. We have made no representations or warranties, express or implied, as to any matter whatsoever, including without limitation, the condition of the equipment, its merchantability, or its fitness for any particular purpose. Any affirmation of fact or promise shall not be deemed to create an express warranty. This Limited Warranty does not cover any damage to equipment caused by accident, misuse, acts of God, birds, rodents, or other animals, attempted unauthorized repair or service, or installation by anyone other than us. This warranty gives you specific legal rights, and you may have other rights which vary from state-to-state. We shall not be liable for consequential or incidental damages. Some states do not allow the exclusion or the limitation of consequential or incidental damages, so the above limitations or exclusions may not apply to you.

12. Installation. You will permit us to enter the Premises to install the System and will provide uninterrupted access. You have approved the locations where the control panel and System devices will be placed. We will try to conceal all wires, but the existing structure or other obstructions may require some of the wires to be visible. We are authorized to make any preparation such as drilling holes, driving nails, making attachments, or doing other things necessary for installation or service of the System.

13. Hazards. Before installation begins, you must inform us where not to drill or expose because of pipes, wires, equipment, or hazardous materials. Unless so informed, we will decide where to drill holes and install equipment. We will use reasonable care to avoid concealed items, but have no way to determine with certainty if any exist. All costs to repair or replace pipes, wires, equipment, walls, ceilings, floors, or furnishings shall be your sole responsibility. If asbestos or other hazardous materials are found during installation, we will stop all work until you have at your sole expense obtained clearance from a licensed asbestos or hazardous waste removal contractor that no danger exists. We will not be liable for the discovery of or exposure to asbestos or other hazardous materials.

ACCEPTANCE

You are entitled to a completely filled in copy of this Agreement, signed by both you and us (the contractor), before any work may be started.

The prices, specifications, and conditions in this Agreement are satisfactory. You understand, approve, and accept this Agreement, in particular Paragraphs 8, 24, and 30, which set forth our maximum liability if there is any loss or damage to you or any third party. You may obtain a higher liability limit by paying an additional charge. You have received a copy of this Agreement and a Notice of Cancellation. **There are additional, different, or higher levels of protection and service available. The System provided is based upon your specific request, approval, and cost considerations, for which you shall hold us harmless. You have the right to require us to have a performance and payment bond for certain work. You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction.**

The law requires that the contractor give you a notice explaining your right to cancel. Please Initial if the contractor has given you a Notice of the Three-Day Right to Cancel. _____ (initial)

YOU

THE ALARM COMPANY, INC.

Dated: _____

Print Your Name / Title

Dated: _____

Authorized Company Officer

Your Signature: _____

Salesperson Name and No.: _____

THIS AGREEMENT SHALL NOT BE BINDING UPON US UNLESS EITHER (1) APPROVED IN WRITING BY AN AUTHORIZED COMPANY OFFICER, OR (2) WE START INSTALLATION. IF WE DO NOT APPROVE THE AGREEMENT, OUR SOLE LIABILITY SHALL BE TO REFUND TO YOU THE AMOUNT THAT HAS BEEN PAID TO US UPON THE SIGNING OF THE AGREEMENT.

14. Note about Extra Work and Change Orders. Extra Work and Change Orders become part of the contract once the order is prepared in writing and signed by the parties prior to the commencement of any work covered by the new change order. The order must describe the scope of the extra work or change, the cost to be added or subtracted from the contract, and the effect the order will have on the schedule of progress payments.

15. Notice Regarding Performance of Extra or Change-Order Work. You may not require us to perform extra or change-order work without providing written authorization prior to the commencement of any work covered by the new change order.

Extra work or a change order is not enforceable against you unless the change order also identifies all of the following in writing prior to the commencement of any work covered by the new change order: (i) the scope of work encompassed by the order; (ii) the amount to be added or subtracted from the agreement; and (iii) the effect the order will make in the progress payments or the completion date.

Our failure to comply with the requirements in this Notice does not preclude our recovery of compensation for work performed based upon legal or equitable remedies designed to prevent unjust enrichment.

16. Your Duties as to Use of System.

A. You or others using the System shall carefully and properly test and use the System. If the System does not operate properly, you shall notify us immediately.

B. You shall immediately notify us of any changes to the Premises or to any fixtures, furniture, or equipment.

C. You shall provide 24-hour electrical service and electrical outlets for the System.

D. If your System uses wireless battery-operated devices, you must replace the batteries when the System emits a low-battery signal or at least once a year. If you fail to replace the batteries, the System will not function properly. You may also notify us if the System emits a low-battery signal, and we will replace the batteries at your expense at our then current labor and material rate.

E. You shall provide adequate lighting for any CCTV system, and otherwise provide the proper environment for the System as reasonably requested. You shall provide and maintain all storage media for the CCTV system.

F. You are solely responsible for determining whether the city, county, or governmental subdivision in which the Premises are located has or may later have statutes or ordinances requiring that you obtain and maintain in force and effect a license or permit to maintain the System. You will be solely responsible for obtaining, maintaining, and paying for all monitoring, alarm, or system permits, licenses, or fees imposed by authorities having jurisdiction necessary for the use and operation of the System.

17. Services Not Included. The following services are specifically excluded from this Agreement unless specifically provided for in a separate writing:

A. Monitoring or transmission of alarm signals from your Premises, or the programming of the control panel, if monitored by others.

B. Alarm Response Service.

C. Repair or service of the System, except as expressly provided for here.

If you want or require monitoring or any other type of service, separate arrangements for the provision of those services will need to be made. Except as expressly provided for here, we are not obligated to provide service or monitoring of any type on the System installed for you. If you wish the System to be serviced or repaired by us, you must contact us and request service.

18. Audible Alarm Shut Off. If your security System has an audible alarm, we shall install a device that will automatically shut off the audible alarm after it has sounded for not more than 10 minutes.

19. Your Plans and Specifications; Your Purchase Order. If the System is to be installed or replaced according to your plans and specifications, you shall pay for all costs incurred for any work necessitated by errors in the plans provided. If there is any conflict between this Agreement and your purchase order or other document delivered to us, this Agreement will govern, whether the purchase order or document is prior or subsequent to this Agreement.

20. Authorities Having Jurisdiction. You shall be solely responsible for all costs necessitated by changes in the regulations or standards of any authority having jurisdiction, including the interpretation of the regulations and standards. You shall promptly pay us for the cost of any modifications to the work under this Agreement that may be requested by the owner of the Premises if you are not the owner, or any authorities having jurisdiction, including building and safety departments, State Fire Marshall, local fire or electrical departments, insurance companies, homeowners associations, or any other federal, state, or local agency.

21. Title; Risk of Loss. Title to the System will remain in us until you have paid for the System in full. If you fail to pay for the System in full, you shall allow us to enter the Premises and to remove all or any portion of the System and recover all damages to which we may be entitled. Removal of the System shall be without prejudice to the collection of all sums due under this Agreement. After the commencement of installation, you shall bear the entire risk of loss for the equipment or components. Our yard signs and window stickers shall remain our property at all times and may be removed by us.

22. Delay in Installation; Interruption of Service. We shall not be liable for any delay in the installation of the System or for the consequences of delay, regardless of cause or origin. We shall not be liable for any interruption of operation or the consequences therefrom, due to strikes, riots, floods, storms, earthquakes, fire, power failures, insurrection, terrorist attack or activity, war, declared or undeclared, military action, interruption or unavailability of telephone, cable, radio, cellular, Internet, or other transmission services, acts of God, or for any other cause, regardless of origin, beyond our control. We will not be required to provide installation or any other services to you during these periods.

23. Acceptance of Installation. After the System is installed, we will inspect it together. Any error or omission in the design, construction, or installation of the System must be brought to our attention in writing within 15 days after completion of installation. Upon the expiration of 15 days, the installation shall be deemed to be totally satisfactory to and accepted by you.

24. Assignment / Rights of Subcontractors. You may not assign this Agreement to any third party without our prior written consent signed by an authorized company officer. We shall have the right to assign, sell, or transfer this Agreement or our rights or responsibilities here to any person or entity without notice to you or your consent. We may subcontract any of the work to be performed under this Agreement without notice to you. This Agreement, especially Paragraphs 8 and 30, shall protect the subcontractors in the same way that the paragraphs protect us.

25. Default. Any of the following shall constitute your default under this Agreement: 1) failure to pay any amount provided in this Agreement within 5 days after the same is due; 2) failure to communicate or cooperate with us; 3) failure to perform any other obligations under this Agreement within 10 days after written request; or 4) you become a debtor in a bankruptcy proceeding. If you default, we shall have the right to discontinue all services upon 3-days written notice to you, to accelerate and recover all amounts to become due under this Agreement, and all other sums to which we are entitled. If any payment due is more than 30 days late, you shall pay a late charge on each payment due in the amount of 10% per year. You shall pay a service charge of \$25 for each returned check.

26. Workers' Compensation Insurance. We carry workers' compensation insurance for all employees.

27. Mechanics Lien Release. Upon satisfactory payment being made for any portion of the work performed, we shall, prior to any further payment being made, furnish to you a full and unconditional release from any claim or mechanic's lien under Section 3114 of the Civil Code for that portion of the work for which payment has been made.

28. MECHANICS LIEN WARNING.

Anyone who helps improve your property, but who is not paid, may record what is called a mechanics' lien on your property. A mechanics' lien is a claim, like a mortgage or home equity loan, made against your property and recorded with the county recorder.

Even if you pay your contractor in full, unpaid subcontractors, suppliers, and laborers who helped to improve your property may record mechanics' liens and sue you in court to foreclose the lien. If a court finds the lien is valid, you could be forced to pay twice or have a court officer sell your home to pay the lien. Liens can also affect your credit.

To preserve their right to record a lien, each subcontractor and material supplier must provide you with a document called a '20-day Preliminary Notice.' This notice is not a lien. The purpose of the notice is to let you know that the person who sends you the notice has the right to record a lien on your property if he or she is not paid.

BE CAREFUL. The Preliminary Notice can be sent up to 20 days after the subcontractor starts work or the supplier provides material. This can be a big problem if you pay your contractor before you have received the Preliminary Notices.

You will not get Preliminary Notices from your prime contractor or from laborers who work on your project. The law assumes that you already know they are improving your property.

PROTECT YOURSELF FROM LIENS. You can protect yourself from liens by getting a list from your contractor of all the subcontractors and material suppliers that work on your project. Find out from your contractor when these subcontractors started work and when these suppliers delivered goods or materials. Then wait 20 days, paying attention to the Preliminary Notices you receive.

PAY WITH JOINT CHECKS. One way to protect yourself is to pay with a joint check. When your contractor tells you it is time to pay for the work of a subcontractor or supplier who has provided you with a Preliminary Notice, write a joint check payable to both the contractor and the subcontractor or material supplier.

For other ways to prevent liens, visit CSLB's Web site at www.cslb.ca.gov or call CSLB at 800-321-CSLB (2752).

REMEMBER, IF YOU DO NOTHING, YOU RISK HAVING A LIEN PLACED ON YOUR HOME. This can mean that you may have to pay twice, or face the forced sale of your home to pay what you owe.

29. Notices. All notices regarding this Agreement shall be in writing and may be served by personal delivery; nationally-recognized overnight courier with delivery charges provided for; or by certified mail, return-receipt requested, with postage prepaid, to the addresses set forth in this Agreement or to any other address provided by one party to the other from time-to-time in writing.

30. Third Party Indemnification; Subrogation. You shall indemnify and defend us against all claims brought by others, whether for personal injury, property damage, or death. This provision shall apply to all claims regardless of cause, including our or the System's performance or failure to perform, defects in products, design, installation, activation, or service, negligence, warranty, contribution, indemnification, or strict or products liability. So far as permitted by your liability or property insurance policy, you release us from all claims, whether the claims are made by or through you, including your insurance company or other parties, and shall indemnify and defend us from all claims. You shall notify your insurance company of these terms.

31. Entire Agreement. This Agreement is the final expression of and sets forth the entire agreement between the parties. No other agreements, representations, or warranties, express or implied, oral or written, have been made by any party to the other with respect to this Agreement. All prior and contemporaneous conversations, negotiations, and warranties are not relied upon and are waived. This Agreement is intended to supersede and replace all prior oral or written agreements or understandings between the parties. This is an integrated agreement. This Agreement cannot be modified, altered, or amended except in writing signed by authorized representatives of both parties.

32. Enforceability. If any part of this Agreement is deemed void, unenforceable, or invalid, the remaining portions of the Agreement shall be and remain enforceable, and in full force and effect.

33. Waiver of Breach. No waiver of a breach of any term or condition of this Agreement shall be construed to be a waiver of any succeeding breach.

34. Limitation of Actions. Any lawsuit, proceeding, or action that relates in any way to this Agreement, whether based upon contract, negligence, or otherwise, shall be brought no later than one year after the accrual of the claim.

35. Governing Law. This Agreement was made and entered into in Santa Clara County, California between California domiciliaries. The validity, meaning, and effect of this Agreement shall be determined in accordance with California law, regardless of choice of law principles.

36. Interpretation; Construction. The captions are for convenience of reference only and shall have no force or effect in the interpretation or construction of this Agreement. Wherever the context requires, the neuter shall include the masculine or feminine gender, and the singular shall include the plural. Each of the terms of this Agreement is a condition to be faithfully and fully performed. The rule of construction that ambiguities are to be resolved against the drafting party will not apply in interpreting this Agreement.

37. Authorized Signatories. The individuals executing this Agreement are authorized signatories and have the full power to enter into this Agreement, and make the representations and warranties set forth here.

38. Alarm Company License. Alarm Company Operators are licensed and regulated by the Bureau of Security and Investigative Services, Department of Consumer Affairs, Sacramento, California 95814.

39. Information about the Contractors' State License Board (CSLB). CSLB is the state consumer protection agency that licenses and regulates construction contractors.

Contact CSLB for information about the licensed contractor you are considering, including information about disclosable complaints, disciplinary actions and civil judgments that are reported to CSLB.

Use only licensed contractors. If you file a complaint against a licensed contractor within the legal deadline (usually four years), CSLB has authority to investigate the complaint. If you use an unlicensed contractor, CSLB may not be able to help you resolve your complaint. Your only remedy may be in civil court, and you may be liable for damages arising out of any injuries to the unlicensed contractor or the unlicensed contractor's employees.

For more information: Visit CSLB's Web site at www.cslb.ca.gov.
Call CSLB at 800-321-CSLB (2752).
Write CSLB at P.O. Box 26000, Sacramento, CA 95826.

PLEASE SIGN

_____ Your Initials