

# RESIDENTIAL SMART SECURITY SERVICE AGREEMENT

MorSecurity is pleased to provide you with a Smart Security system by utilizing state of the art equipment and expert monitoring to provide a one-stop security solution.

This Smart Security Service Agreement is both an equipment Rental Agreement and a Smart Security Service Agreement. Together these two documents are called the "Agreement". "MorSecurity" refers to Utilebill Credit Corp., "Monitor(ing)" means the company providing the Smart Security Monitoring Services, the words "I", "me" and "my" refer to you the Homeowner.

This Agreement also refers to the Smart Security Service Plan. This is the Plan you enrolled in. MorSecurity and the Service Provider have teamed up to provide a single one stop billing service for a monthly payment as set out as 'Smart Security System Recurring Charge' for the Term. The parties acknowledge that one tenth of the Recurring Charge is for Smart Security Service Plan ("Service Charge") and the balance for the rental of the Smart Security System. The Service Charge amount will increase by 3% per year to reflect the additional costs to provide the Smart Security service. When collected the all in fee will first be applied to the Rental payment and then the balance for the Service Charge. If there is a shortfall in the payment, then it will be as against the Service Charge. While there is a single billing service, the services provided by MorSecurity under the Rental Agreement and under the Smart Security Service Agreement are separate and apart.

This is an agreement to lease the equipment you subscribe for (the "**Equipment**"). This is a lease only. This is not a purchase agreement. The Homeowner does not own the Equipment. By signing this Agreement, I agree to lease, on the terms and conditions of this Agreement, the Equipment from MorSecurity for a period of five (5) years (the "**Term**") commencing on the scheduled installation date, unless otherwise agreed to with MorSecurity (hereinafter, the "**Installation Date**").

Each of MorSecurity and Dealer's acceptance of this Agreement is conditional on whether I am creditworthy. By signing this Agreement, I acknowledge that the information provided is true, and authorize MorSecurity to obtain or exchange personal information with any personal information agent or other institution towards establishing or verifying my financial status. Such credit investigation by MorSecurity and Dealer shall be completed within two (2) business days following the execution of this Agreement. Following such credit investigation, if either MorSecurity or Dealer are not satisfied with my financial status and credit history, either MorSecurity or Dealer shall have the right to cancel this Agreement and I will be notified in writing by mail or other electronic form and, this Agreement will be rescinded from the date hereof.

The monthly charge shall be paid by automatic recurring charges to my credit card, or if made available to me in the "Other Companies" section of your Enbridge Gas Distribution bill or through a preauthorized payment. Your rental will start on the Commencement Date of the Term. **You certify that the information contained herein is true and you authorize us to make inquiries concerning your credit with consumer reporting agency or any other company with whom you have a financial relationship. By signing below, you agree that you have read, understood and agreed to the terms and conditions of the Agreement including those on the reverse and you acknowledge receipt of a copy.** You agree that there are no other verbal or written documents, which modify the terms of this Agreement in any manner.

**False alarm fees.** If an emergency service provider is dispatched in response to a false alarm, you may incur false alarm charges. Please refer to your local municipality's bylaws for the latest information regarding false alarm fees and note that it is your responsibility to pay these charges, whether they are charged by your municipality or incurred through your MorSecurity bill.

**Alarm permit fees.** MorSecurity may be responsible for registering for alarm permits on customers' behalf. If you reside in one of these municipalities, you may incur alarm permit fee on your bill. Please refer to your local municipality's bylaws for the latest information regarding alarm permits and note that it is your responsibility to pay permit application/renewal charges, whether they are charged by your municipality or incurred through your bill.

**Guard dispatch fees.** A guard may be dispatched to verify whether the intrusion alarm is a true event or a false alarm. This service carries an additional fee that will be charged on your bill as required. In the event that the guard verifies the intrusion alarm to be a true event, the guard may provide additional services, such as remaining on site. Please note there are fees for this additional service

## **EQUIPMENT RENTAL AGREEMENT**

- 1. MorSecurity's Commitments:** MorSecurity, or Dealer, will install in my residence (the "Residence") the Equipment in a good and workmanlike manner in accordance with the good professional practices applicable to the industry. The Equipment will be installed in my Residence on the Installation Date.
- 2. Monthly Plan Fee:** I will pay to MorSecurity equal monthly payment amounts during the Term (payment which shall include the applicable taxes which are revised from time to time as stipulated in both federal and provincial tax laws in effect) as selected by me I subscribed to the Service. I also understand that MorSecurity, or its agent, will bill for and I shall pay MorSecurity the fees associated with the Smart Security Service Plan, the monthly fees for such service will be payable on a monthly basis and will be combined (together with the applicable taxes which are revised from time to time as stipulated in both federal and provincial tax laws in effect) with the monthly payment for the leasing of the Equipment. The first monthly periodical payment due under this Agreement shall be payable immediately. The fees payable with respect to the lease payments are payable without set-off or deduction for any reason whatsoever including if the Smart Security services are provided or not. If the Smart Security services are not provided or cancelled for whatever reason, your only right is not to make payment of the fee associated with these services but you must continue to make the lease payments.
- 3. Credit Card Payments:** Payments may be made by you by way of credit card; provided that you pay to us a processing fee to be established by us from time to time for each credit card payment. If you dispute any provision, you shall still make the Payments required hereunder but the making of such Payments shall in no way restrict your rights against us for failure to provide services. If we assign this Agreement or Payments due under this Agreement, to a bank or other finance company, then you shall make all Payments to them absolutely and without condition.
- 4. Automatic Payment Authorization (Personal "PAD" Agreement):** *By selecting this method of making your monthly payments, you are granting to morSecurity™ the authority to debit your bank account, described on the reverse, in the amount of your monthly payment plus applicable taxes on the date of the month that is most convenient to you. You are furthermore agreeing that this PAD Agreement is personal and shall remain in effect, subject to your right of cancellation upon making other acceptable payment arrangements to morSecurity™, for the duration of the rental contract. Cancellation of your PAD Agreement will require that you provide us with written notice of not less than 15 days to be faxed for mailed to morEnergy™. Forms may be found at [www.cdnpay.ca](http://www.cdnpay.ca). You have certain recourse rights if any debit does not comply with this Agreement. For example, you have the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAD Agreement. To obtain more information on your recourse rights, you may contact your financial institution or visit [www.cdnpay.ca](http://www.cdnpay.ca). In the event that you elect to terminate your PAD Agreement, morEnergy™ will require credit card debit information, or Enbridge billing information if applicable. By entering into this PAD Agreement, you are hereby waiving any pre-notification requirement and furthermore agree that termination by you of the PAD Agreement shall in no event effect the obligations arising under your Rental Agreement and your continuing obligations to ensure that the monthly payment is made when due. It is your responsibility to ensure that any changes to your account information are provided to morSecurity™ immediately.*
- 5. NSF Charges:** You will also pay a returned cheque or non-sufficient funds (NSF) charge to reimburse us for our time and expense incurred with respect to a cheque or a Pre-Authorized Payment debit that is returned for any reason, in an amount set by us from time to time. In addition, you will pay us a fee of \$50.00, plus reasonable disbursements, for each request made by you to us to process an administrative matter in connection with this Agreement. Administrative matters shall include any amendments, alterations, discharge of security, or assignment of this Agreement.
- 6. Maintenance of the Equipment:** I undertake to properly maintain the Equipment during the Term and as long as the Equipment is in my possession in accordance with the manufacturer's specifications, unless I have taken a specific arrangement with MorSecurity for servicing the Equipment. If the Equipment is utilized in excess of ordinary wear and tear, then I will be responsible to have the Equipment repaired.
- 7. Ownership and Interest:** MorSecurity is and shall remain the sole owner of the Equipment at all times and that MorSecurity is not transferring ownership of the Equipment to me or to anyone else, including but not limited to, a subsequent purchaser of the Residence. I will keep the Equipment free of all rights, hypothecs, privileges, security interests, mortgages and other claims (other than MorSecurity's). It is expressly forbidden to have the equipment serviced, removed, or tampered with by any third party. I will keep the Equipment at my Residence. It may only be removed by morSecurity at the Customer's expense.
- 8. My Commitments and Assurances:** I am either the owner of the Residence or I have been authorized by the owner to sign this Agreement on their behalf, in which case the owner(s) of the Residence and myself are responsible for all obligations in this Agreement. This Agreement is binding upon and will enure to my heirs, personal representatives and successors and permitted assigns and I agree that: (A) Commencing on the Installation Date, I will make all of the payments due under this Agreement to MorSecurity in a timely manner and will pay interest on any late payments at a rate equal to **1.5%** per month (or **19.6%** per annum), compounded monthly; (B) I will use the Equipment safely and responsibly and, in particular, will ensure that: (i) no combustible, hazardous or flammable materials are used or stored near the Equipment; (ii) the Equipment will not be confined in a location where it is difficult to service or remove or where there is inadequate ventilation; and (iii) I will provide MorSecurity with access to the Equipment whenever reasonably required for purposes of inspection, repair or removal; (C) during the term, I will, at my expense, obtain and maintain insurance over the Residence and its content, including the Equipment. You hereby grant to us an exclusive security interest in the Equipment as collateral security for the amounts owing by you to us under this Agreement. You grant us the right to register the security interest under this Agreement against you and title to the land where the Equipment is to be located. Unless prohibited by law, you waive your right to receive a copy of such registration where required and you will appoint us as your lawful attorney for so doing. The Total Lease Costs for the Equipment (the Total Monthly Payments),

[Capitalized Amount], and the Cost of Borrowing {COB}, based on the 5.5% APR for a: Pmt \$29.95, Total Monthly Payments \$1,799.40 [Capital Cost \$1,570.06] {COB \$229.34 }; Pmt \$39.99, Total Monthly Payments \$2,399.40 [Capital Cost \$2,093.59] {COB \$305.81}; Pmt \$49.99, Total Monthly Payments \$2,999.40 [Capital Cost \$2,617.12] {COB \$382.28}; Pmt \$59.99, Total Monthly Payments \$3,599.40 [Capital Cost \$3,140.65]; Pmt \$69.99, Total Monthly Payments \$4,199.40 [Capital Cost \$3,664.17] {COB \$535.23}.

**9. Sale of the Residence:** Should I sell my Residence during the Term, I will personally, or through my real estate agent, (i) notify the purchaser in the agreement of purchase and sale that the Equipment is leased and assign to such purchaser the lease and as applicable, the service plan, for the Equipment; (ii) notify MorSecurity in advance and in writing of the purchaser's name, address, telephone number and the intended date of sale; (iii) pay to MorSecurity all other amounts owing under this Agreement; and, ensure assignment of this Agreement to the Purchaser, failing which, I will continue to be solely responsible for the Agreement and will not be released from my obligations under this Agreement, effective from the date of sale. I hereby authorize MorSecurity to respond to information requests relating to my account with MorSecurity made by or on behalf of the purchaser of my Residence for the purposes of affecting the transfer of the Equipment leased from MorSecurity.

**10. Expiration of the Term:** At the end of the Term, this Agreement will automatically terminate and I will pay MorSecurity an amount equal to the sum of all the periodic payments due upon termination that have not already been paid or waived, together with the interest owing on overdue amounts as determined in this Agreement. Upon expiry of Term, the lease is renewed on a month-to-month basis on the same conditions, unless one of the parties terminates the lease, and all the terms and conditions provided herein shall continue to apply.

**11. Buy Out:** You may elect to buy the Equipment at any time during the Term for its fair market value (defined as 5 times the Smart Security System Recurring Charge as noted on the face page of this Agreement), plus all remaining Payments under this Agreement, applicable taxes, and administrative charges. The Equipment will be sold to you in its then condition, quality and location on an "as is, where is" basis, free and clear of liens, charges or encumbrances by us, but without any further warranties or representations whatsoever, expressed or implied, on the part of us. To receive your competitive purchase/buyout price, please call the Customer Service billing phone number located on the dealer label affixed to your Equipment.

**12. Insurance:** During the term of this Agreement, you will keep the Equipment fully insured against physical loss or damage and will obtain and maintain public liability and third party property insurance. You are responsible for any loss or damage to the Equipment from any cause at all, whether or not insured, until all of your obligations under this Agreement have been fulfilled.

**13. Equipment Risks:** If the Equipment is lost or damaged beyond repair or is stolen or for any other reason is not available or suitable for return at any time during this Agreement, you will notify us of that event and, unless we make another arrangement with you, you will immediately on demand pay to us the Casualty Value less the amount of any insurance proceeds paid to us as a result of the event. The Casualty Value shall be equal to the total present value of all unpaid and future Payments under this Agreement plus the present value of the estimated fair market value of the Equipment at the end of the Term. The present value will be calculated by discounting at the rate per annum equal to 3%. Upon payment of the Casualty Value, you shall acquire, without recourse or warranty, all of our right, title and interest, if any, in and to such item of the Equipment.

**14. Assignment:** We may assign or create a security interest or hypothec in at our sole discretion at any time, without your consent or notice to you, our right, title and interest in this Agreement, payments under this Agreement and in the Equipment described herein to any individual, or other entity and upon such assignment, we shall mean and include such assignee ("Assignee"). You hereby consent to the delivery by us to any prospective Assignee of such information concerning you as may be in our possession. You may only assign this Agreement with our prior written consent and by having the new lessee execute our form of assignment.

**15. Default:** You shall be in default of your obligation under this Agreement, if you do not make Payments on the due date in this Agreement; you fail to abide by the terms of this Agreement in any way; you encumber the Equipment in any way; you alter or modify or place the Equipment at risk; you have a material negative change in your financial position or if you become insolvent. If anyone is guarantying your obligations under this Agreement, you will be in default if they have a material negative change in their financial position or become insolvent.

**16. Remedies Upon Default:** If you are in default, we may, in addition to any other right we may have at law or otherwise, and without notice, do any or all of the following, separately or together, in any order or combination; a) Repossession – we may enter wherever the Equipment is located (or where we believe it is located) and repossess and remove it (if necessary disconnecting it from any other property) without the need for any other party's consent or waiver to allow us to remove it. You waive claims for any damages to property or otherwise arising from such repossession; b) Sell or Re-lease – Without terminating or being deemed to have terminated this Agreement, upon fifteen (15) days prior written notice to you, we may sell or release the Equipment in such manner and for amounts and upon such terms as we may reasonably determine and may apply the net proceeds against what you owe to us; c) Damages for Termination – We may require you to pay immediately on demand damages suffered by us as a result of the termination of this Agreement. These damages will be, as a genuine pre-estimate of liquidated damages for loss of a bargain and not as a penalty, equal to the Casualty Value as defined above plus all costs incurred by us, plus costs incurred by our assignees or agents in enforcing the terms of this Agreement. We agree to remit to you any monies collected by us from you or through our re-marketing efforts, collectively in excess of the aggregate of: (i) The Casualty Value, and (ii) the costs and expenses resulting from your default.

**17. End of Term Options:** Providing you have not breached any term of this Agreement, you shall have the following options on the last day of the Term: (a) purchase the Equipment for its estimated fair market value at such time (plus applicable taxes) as we determine, acting reasonably; (b) renew this Agreement on a month-to-month basis; or (c) return the Equipment to us. If you do not notify us of your intention prior to the expiry of the Term, it will be assumed that you have selected Option 'B' and we will continue to bill you at the rate of Payment. You must advise us in writing by sending an email or written correspondence at least thirty (30) days prior to the end of the term.

## 18. Statutory Requirements:

### Your Rights Under the *Consumer Protection Act, 2002*

You may cancel this Agreement at any time during the period that ends ten (10) days after the day you receive a written copy of the Agreement. You do not need to give the supplier a reason for cancelling during this 10-day period.

If the Dealer does not make delivery within thirty (30) days after the delivery date specified in this Agreement or if the supplier does not begin performance of his, her or its obligations within thirty (30) days after the commencement date specified in this Agreement, you may cancel this Agreement at any time before delivery or commencement of performance. You lose the right to cancel if, after the 30-day period has expired, you agree to accept delivery or authorize commencement of performance.

If the delivery date or commencement date is not specified in this Agreement and the supplier does not deliver or commence performance within thirty (30) days after the date this Agreement is entered into, you may cancel this Agreement at any time before delivery or commencement of performance. You lose the right to cancel if, after the 30-day period has expired, you agree to accept delivery or authorize commencement of performance.

In addition, there are other grounds that allow you to cancel this Agreement. You may also have other rights, duties and remedies at law. For more information, you may contact the Ministry of Consumer and Business Services.

To cancel this Agreement, you must give notice of cancellation to the supplier, at the address set out in the Agreement, by any means that allows you to prove the date on which you gave notice. If no address is set out in the Agreement, use any address of the supplier that is on record with the Government of Ontario or the Government of Canada or is known by you.

If you cancel this Agreement, the supplier has fifteen (15) days to refund any payment you have made and return to you all goods delivered under a trade-in arrangement (or refund an amount equal to the trade-in allowance).

However, if you cancel this Agreement after having solicited the goods or services from the supplier and having requested that delivery be made or performance be commenced within ten (10) days after the date this Agreement is entered into, the supplier is entitled to reasonable compensation for the goods and services that you received before the earlier of the 11th day after the date this Agreement was entered into and the date on which you gave notice of cancellation to the supplier, except goods that can be repossessed by or returned to the supplier.

If the supplier requests in writing repossession of any goods that came into your possession under the Agreement, you must return the goods to the supplier's address, or allow one of the following persons to repossess the goods at your address: (i) the supplier or (ii) a person designated in writing by the supplier.

If you cancel this Agreement, you must take reasonable care of any goods that came into your possession under the Agreement until one of the following happens: (i) the supplier repossesses the goods; (ii) the supplier has been given a reasonable opportunity to repossess the goods and twenty-one (21) days have passed since the Agreement was cancelled; (iii) you return the goods; or (iv) the supplier directs you in writing to destroy the goods and you do so in accordance with the supplier's instructions.

**19. Liability.** I understand that MorSecurity is not the manufacturer of the Equipment nor the provider of services under the Smart Security Service Agreement and therefore makes no representations, warranties or conditions as to the performance of the Equipment, except for those which are given by law and which cannot be waived by law. If MorSecurity is unable to perform any of its obligations under this Agreement because of circumstances or events beyond its control, it shall be excused from the performance of such obligations for the duration of such circumstances or events and it shall not be liable to you for such failure to perform.

**20. Miscellaneous.** This Agreement governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. Neither the failure nor delay of MorSecurity to exercise any right or to enforce any provisions of this Agreement shall be construed as a waiver of such right or provision, or of any other right or provision hereunder.

**21. Privacy Policy:** I understand that my personal information included on the first page of this Agreement of this Agreement and my account, credit and billing history will be collected, used and maintained for the purposes of managing my account with MorSecurity. I understand that MorSecurity may provide my credit history and personal information to its lenders or a credit bureau for the purpose of managing its or its lenders' risk. I understand and agree that MorSecurity may disclose my personal information if this Agreement is transferred or assigned, as otherwise required to collect a payment owed by me, or as required by law. I will be provided with the opportunity to receive offers from MorSecurity's affiliates and/or its business partners, and can opt out of receiving these offers at any time.

**22. Acknowledgment:** It is the express wish of the parties that this Agreement and any related documents be drawn up in English. Les parties ont expressément requis que la présente convention et tous les documents y afférents soient rédigés en anglais.

## TERMS AND CONDITIONS APPLYING TO INSTALLATION, WARRANTY, MONITORING

**1. Limited Warranty** – All labour and material for newly installed equipment is guaranteed to be free from defects for a period of (1) one year. If the Customer purchases and continues to pay for an extended warranty, the aforementioned warranty is in effect. Warranty does not apply to any dispatch fee, whether police or guard, due to Customer error, equipment malfunctions, or installation. morSecurity reserves the right to install substitute components of equal quality in its reasonable opinion. Any defective system or components thereof while under warranty, shall be repaired or replaced at morSecurity cost and not other reimbursement for losses, costs or damages shall be payable to the Customer. A service charge at morSecurity's prevailing rates at the time of service shall be made if the cause of the service is not covered by the above warranty. Warranty does not cover batteries, light bulbs, wiring, damage caused by normal wear and tear and any Acts of God. **This warranty is the sole warranty given by morSecurity to the Customer and all other warranties, expressed or implied are hereby expressly excluded. The Customer expressly agrees that there is no warranty given by morSecurity as to the fitness of the alarm system, monitoring services, Guard or Police response or any security item for any particular purpose.** morSecurity assumes no responsibility whatsoever for the maintenance, operation or non-operation, actuation or non-actuation, of Customer's existing equipment. morSecurity reserves the right to terminate service under this Agreement in the event that the existing equipment is not in good operating condition and morSecurity will not be liable for any damages or penalties as a result such termination.

**2. Telephone Lines** – Customer understands and acknowledges that the signals from Customer's alarm system are transmitted over Customer's regular telephone lines or method agreed to on front of agreement to morSecurity monitoring center and in the event Customer's alarm system transmission method is out of order, disconnected, placed on vacation or otherwise interrupted, signals from Customer's alarm system will not be received in morSecurity monitoring center during such interruption in service and interruption will not be known to morSecurity. Customer further acknowledges and agrees that signals that are transmitted to morSecurity are wholly beyond the control and jurisdiction of morSecurity and are maintained and serviced by the operating utility. Customer understands that changes to area codes or prefixes could result in the need to reprogram Customer's alarm system. In this event failure to perform such reprogramming could result in signals from Customer's alarm system failing to reach morSecurity's monitoring center. Customer agrees to notify morSecurity of any such area code or prefix change. Customer agrees to notify morSecurity of any changes in telephone service provider service or new technology as this may affect system signal transmission. morSecurity shall be held harmless should Customer fail to notify morSecurity of any such change.

**3. Orientation Period** – If Customer has agreed to the Orientation Period following activation for Customer to become familiar with the system operation, then during this Orientation Period, Customer agrees that in the event any signal (including an alarm signal) of any nature registers at morSecurity's central station, morSecurity shall not: respond to any signals, endeavour to notify the authorities, Customer or Customer's designated representative(s), or undertake any other action with regard to any signal, whether or not due to an actual emergency, unless requested in writing.

**4. Customer Responsibilities** – The customer acknowledges and agrees that the Customer is solely responsible for the selection of the equipment, existing equipment, monitoring method, system configuration, zoning allocation and the resulting level of protection. The Customer shall be responsible for a) continual electrical supply to the system in accordance with the manufacture's specifications as they may be amended from time to time by morSecurity; b) insurance coverage for the equipment for such risks as may be normally covered including protection against the usual insurable risks including fire, elements, Acts of God, tampering and misuse; c) telephone service or alarm signal transmission method, and facilities, including where necessary, telephone coupler or jack or both; and d) monthly testing of system and prompt notice to morSecurity should any defects be found in the course of such testing.

**5. Limitation of Liability** – The Customer agrees that morSecurity is not an insurer. The Customer also agrees that the system can fail for reasons beyond the control of morSecurity and response from authorities, Guard, Service, Police or designated contacts can be slow or ineffectual. As such this system is a deterrent and does not provide complete or unlimited protection or protection in lieu of insurance coverage. The Customer's payment morSecurity<sup>is</sup> for equipment, monitoring and/or other service only and not for insurance. In the event of any loss or damage for any reason whatsoever, Customer's sources of reimbursement and/or compensation are his/her own resources and/or property and liability insurances. The failure of the system to function or for the receipt of any alarm signal to react properly for any reason whatsoever (including morSecurity, their agents', or contractors' negligence or gross negligence or substantial or fundamental breach of this Agreement) is not assuming any risk for any damage, loss or injury that may result and shall not give rise to any liability for breach of contract, tort or otherwise, on morSecurity's part except for morSecurity to return to the Customer payment of a reasonable value of its monitoring services not performed fixed at and limited to the return of not more than the semi-annual monitoring service fee in the year in which any such loss occurs or in case of any equipment failure to the return of the market value of such equipment at the time of loss which the parties agree constitutes a genuine pre-estimated of the Customer's damages an is therefore agreed by morSecurity and then Customer's damages and is therefore agreed by morSecurity and the Customer to be liquidated damages. **morSecurity and/or their agents, and/or contractors will not be liable under any circumstances for any lost profit, economic or consequential damage, personal injury, or for any claim or demand against the Customer by any other person. The Customer acknowledges that at the time of making this agreement or prior thereto morSecurity had not been advised of the possibility of such loss or damage occurring or circumstances which would make such loss or damage possible or foreseeable.** Without limiting the generality of the foregoing, in no circumstances shall morSecurity or their officers, directors, shareholders, employees, contractors, and agents, including but not limited to any other morSecurity contracted monitoring installation and/or sales company be responsible for and no warranty given by morSecurity shall cover any loss, damage, cost or expense suffered by the Customer or any person claiming through him on account of any of the following: a)

an error or omission in doing any act or providing or providing any goods or services required to be done or provided by the Customer; b) damage to the equipment or any part of it by reason of any Act of God, fires, explosion, misuse, tampering, vandalism, water, steam, or any peril for which the Customer has insurance or which is usually insured by owners of premises similar to those of the Customer or any other cause beyond the control of morSecurity; c) any false alarm assessment tax, fee or other charge that has or may be imposed or authorized by any government body and/or private guard response service relating to the installation or service provided under this Agreement or any refusal to respond, cancellation or suspension by any police or law enforcement agency, fire or medical authority; d) power failure, power surges or variance of failure of telephone lines, line cut technology, radio back-up transmissions, telephone cellular facilities, internet, VOIP, or other alarm signal transmission method or equipment; e) tampering or attempted service to any part of the equipment, addition of equipment or other alarm monitoring systems by any person not authorized in writing by morSecurity; f) misuses or malfunction of parts of the equipment not serviced by morSecurity; g) failure of the Customer to properly arm the alarm system or any part thereof or to properly follow operating instructions provided by morSecurity, or properly closed doors, windows, or other protected points or to test system and replace batteries as required; h) changes to the premises as a result of renovation, construction, decoration, or other alteration, storage of goods or lack of maintenance which may affect the performance of the alarm system or any part thereof; i) any delay in obtaining replacement parts from any manufacturer or supplier thereof; j) any delay in providing any goods or services for any reason beyond the control of morSecurity; k) consumables such as batteries, light bulbs; and l) charges for service calls prompted as a result of any of the foregoing. In the event any person not a party to this agreement shall make a claim or file a lawsuit against morSecurity for any reason in relation to our duties and obligations pursuant to this Agreement, Customer agrees to indemnify, defend and hold harmless morSecurity, their agents, successors, assigns and employees.

**6. Repair Hours** – Service representatives will be available only between the hours 9 am to 5 pm, Saturday, Sunday, and Holidays excepted (save in a situation deemed an emergency by morSecurity). Service may be arranged at other hours subject to the availability of personnel and upon payment of the appropriate fee for the same. 24 Hour a day monitoring service provided.

**7. Rate Increase** - morSecurity shall have the right to increase the rates charged for monitoring (1) one year from the start of the initial term and for other services at any time. Customer's failure to object to the increase within (45) forty-five days of the notification shall constitute Customer's consent to such an increase. In the event Customer objects to such increase, morSecurity may elect, at its option, to continue this Agreement under the terms and conditions in effect immediately prior to such increase, without notice, or terminate the Agreement upon (15) fifteen days advance written notice to the Customer.

**8. Third Party Installations** – If the equipment was not installed by morSecurity or a duly appointed subcontractor of morSecurity, morSecurity makes no warranty or representation that the equipment will function properly and morSecurity reserves the right to terminate its obligations under this Agreement and any time by written notice to Customer and morSecurity will not be liable for any damages or penalties as a result of said termination.

**9. Binding Effects of the Document** – This document when signed by the Customer and accepted by morSecurity's management shall constitute a binding contract. If morSecurity advises the Customer to the contract by written notice mailed within (15) fifteen calendar days following the date of this Agreement of its refusal to accept the terms and conditions outlined on the front page hereof, then it shall not be binding on morSecurity and any deposit paid hereunder shall be returned to the Customer without interest or deduction. Where the Customer does not allow morSecurity to begin work within (30) thirty days after the acceptance hereof by morSecurity, morSecurity may at its sole option cancel this Agreement and retain the amount of any deposit paid. In addition to any other right or remedy, it may have, in the event that any cheque tendered for payment for goods or services hereunder is not honoured, morSecurity may cancel this Agreement and retain any money paid hereunder as liquidated damages and not as penalty.

**10. Assignability of Agreement** – Neither this Agreement nor morSecurity monitoring service is transferable without morSecurity written consent to it. The Customer shall provide not less than (45) forty-five days' notice of any proposed transfer. Should Customer vacate the premises or assign or attempt to transfer or assign its rights under the Agreement or morSecurity monitoring service then morSecurity may at its sole opinion suspend monitoring service without notice and/or terminate this Agreement, without prejudice to its rights to collect all amounts owing hereunder and in addition to any remedy it may have. morSecurity shall have the right to assign this Agreement at any time without the consent of the Customer. In such event, the Customer shall deal with, look for the performance of this Agreement to have any remedies for breach of this Agreement against the assignee only and morSecurity, their officers, directors, shareholders, employees, contractors, or agents shall upon such assignment, be released from any obligation to the Customer hereunder.

**11. Monitoring Service** – Emergency signal receiving and notification service shall be provided by or contracted by morSecurity. Under such service in the event an alarm signal registers at the monitoring station, the monitoring station will verify or attempt to verify alarm signals received by it from the premises before notifying or attempting to notify the local Police, Fire Department, and/or other agreed upon representatives of the Customer. Monitoring is provided at all times, day or night, 7 days a week. morSecurity and its agents and/or contractors will verify alarm signals received from the premises before dispatching emergency services, the timing of whose arrival is not guaranteed.

**12. Suspension of Cancellation of Monitoring Service** – If morSecurity or its contracted alarm monitoring station ceases operation for any cause or if, due to the Customer's acts or omissions (including failure to follow morSecurity recommendations for use and testing, repairs or

replacement of the system or any part thereof) it is impracticable in morSecurity's sole opinion to continue service then morSecurity<sup>may</sup> at its option, cancel monitoring service without notice and shall not be liable for any damages as result of terminating such except for a refund of any fees paid for any period after the date of cancellation. morSecurity<sup>may</sup> suspend or cancel monitoring service without notice if any payment is overdue or any cheque no honoured, in the addition to any other right or remedy it may have. If police or law enforcement, fire authorities, and/or other agreed upon representatives of the Customer refuse to respond to calls pertaining to the Customer or any location serviced by morSecurity or suspends response for any reason including but not limited to excessive numbers of false alarms, regardless of source, this Agreement shall not be terminated or suspended by morSecurity shall continue to provide monitoring services and shall, upon Customer written request, in response to alarm signals notify the Customer's and/or the Customer's private security service, if any, local calls only.

**13. Early Termination Agreement** – The Customer agrees to continue the monitoring service and to apply for same at morSecurity's prevailing rates from time to time for a (3) three-year term of the Agreement commencing on the first day after the installation of the alarm system has been completed, or activated and thereafter from year to year until cancelled by the Customer by giving to morSecurity<sup>not</sup> less than (30) thirty days prior written notice from month's end. In the event of termination or cancellation, prior to the end of the initial (3) three-year term, the Customer agrees to pay in addition to any charges for services rendered prior to termination, the balance of any fees remaining for the completion of the (3) three year term forthwith as liquidated damages, and not as penalty. In the event of termination or cancellation, prior to the end of any successive year/term, the Customer agrees to pay in addition, any charges for services rendered prior to termination. Monitoring fees are fixed for initial (3) three years.

**14. Costs for Collections** – The Customer agrees to pay all costs incurred by morSecurity including lawyers' fees on a solicitor and client scale, collection, and/or banking fees associated with the collection of cancellation or outstanding fees for repossession of any equipment or for remedy of any breach of this Agreement or any attempt to do so.

**15. Entire Agreement** – This Agreement constitutes the entire Agreement between the parties and no changes can be made, save in writing and signed by both parties. The parties agree that there is no other conditions agreed to, representations made or warranties given in connection with the making of this Agreement or pertaining to the goods or services provided by morSecurity hereunder, expressed or implied. **No person other than a duly authorized signing officer of the company in particular no sales representative, consultant has any authority to amend, waive, suspend or any way alter any of the printed terms conditions herein contained or to make any promise, representation or warranty not provided herein. The terms and conditions herein printed shall prevail over any inconsistent or additional terms or conditions in any purchase order or other letter or document submitted by the Customer herewith.**

**16. Liability** – If more than one person signs this Agreement as a Customer the, the rights, obligations, and responsibilities of all such persons hereunder shall be joint and several.

**17. Agreement Read in Context** – Personal pronouns shall be deemed to include the singular, plural, masculine, feminine and neuter as the context requires in each case, and when applied in the plural, shall apply to such parties jointly and severally. Headings or marginal notes form no part of this Agreement and are inserted for a convenience of reference only.

**18. Severability** – If any provision of this Agreement is found by a court of competent jurisdiction to be invalid or unenforceable, such provision shall be deemed severed here from and all other provisions shall remain in full force and effect.

**19. Jurisdiction** – This Agreement shall be governed by the laws of the Province of Ontario, Canada and parties submit and attorn to the jurisdiction of that province for all purposes of enforcement and interpretation.

This Agreement shall enure to and be binding upon the Customer and morSecurity and their respective heirs, administrators, executors, successors, and assigns.

The parties agree that it is their express wish that this Agreement and all related documents be drawn up in the English language. Les parties conviennent que c'est leur volonté expresse que ce contrat et tous documents s'y rapportant soient rédigés en langue anglaise.

I represent and warrant that the information contained in this Agreement is true and complete and I have reviewed and signed this Agreement.