



NIGHTHAWK SECURITY SYSTEMS, INC.

P.O. Box 22761 • San Diego, California 92192
(619) 458-9944 • Lic. No. ACO 2027

INSTALLATION, SERVICE, MONITORING AGREEMENT

This Agreement is made and entered into this 25th day of APRIL, 2003 by and between NIGHTHAWK SECURITY SYSTEMS, INC. (the "Company"), a licensed alarm company operator licensed and registered by the Bureau of Collection and Investigative Services, 1920 20th Street, Sacramento, California 95814 and Bellefontaine Home Owner's Association hereinafter referred to as "Subscriber" located at 2400 Sixth Avenue in the City of San Diego State of California 92101

THE PARTIES DO HEREBY AGREE AS FOLLOWS:

1. SYSTEMS AND SERVICES — Company agrees to install, maintain and monitor during the term of this Agreement, at the premises of the Subscriber a Central Station Access Control system as described in the Schedule of Service and Protection.

2. TERM, RENEWAL AND EXPIRATION — This Agreement shall remain in force for an initial term of five (5) years from the date the system is installed and operative and shall be automatically renewed for consecutive terms of one year, Unless either party gives written notice at least 60 days prior to the end of such term, to the other of intent to allow the Agreement to expire as of the end of the then current term: subject, however, to earlier termination as provided in paragraph 10

3. PAYMENT — Subscriber agrees to pay the Company:

(A) Installation

\$ see "RIDER" for the installation on or about _____, 19 _____ pending confirmation of telephone company alarm circuit installation. payable as follows:

\$ see "RIDER" payable as a down payment upon the execution of this Agreement; and

\$ see "RIDER" balance due and payable upon the completion of the installation

estimated completion date _____, 19 _____

(B) Monitoring, Maintenance, Service

\$ see "RIDER" per month for monitoring, maintenance and service, payable (~~quarterly~~ _____,

semi-annually X, annually _____) in advance commencing on the date installation of the system is completed.

(C) Increase in Charges (telephone line charges not included: see paragraph 5; Other Charges and Increases in Charges)

Subscriber agrees that at any time on or after the first anniversary date of this Agreement, Company may increase the basic ongoing monthly charges specified in paragraph (B) and if applicable, paragraph (D) annually, for the balance of the term and any renewal thereof. Subscriber agrees to notify Nighthawk Security of any objections to such increase in writing within 15 days after Subscriber's receipt of the notice of increase; failing which it shall be conclusively presumed that Subscriber has agreed to such increase. In the event Subscriber objects to such increase, Nighthawk Security may elect, at its option, to (i) continue this Agreement under the terms and conditions in effect immediately prior to such increase, without notice to Subscriber, or (ii) terminate this Agreement upon 15 days advance written notice to Subscriber.

(D) Subscriber-owned System

\$ n/a per month commencing on the expiration date of the 90 day warranty period for maintenance and service payable (quarterly _____, semi-annually _____, annually _____) in advance.

SCHEDULE OF SERVICE AND PROTECTION

see "RIDER"

4. LIQUIDATED DAMAGES AND COMPANY'S LIMITS OF LIABILITY — It is understood and agreed by the parties hereto that Company is providing a system designed to reduce the risk of loss; that the payments provided for herein are based solely on the value of the services as described herein and are unrelated to the value of any property located on Subscriber's premises; that Company is not liable for losses which may occur in cases of malfunction or nonfunction of the system or of the monitoring, signal handling or dispatching aspects of the service, even if due to Company's negligence or failure of performance; that Company is not an insurer; and that insurance, if any, covering personal injury or property loss or damage on Subscriber's premises shall be obtained and maintained by Subscriber at its own expense. Subscriber understands that Company offers several levels of protection services and that the system described in the Schedule of Service and Protection has been chosen by the Subscriber after considering and balancing the levels of protection afforded by various types of systems and related costs.

IT IS AGREED THAT IT IS IMPRACTICAL AND EXTREMELY DIFFICULT TO FIX ACTUAL DAMAGES WHICH MAY ARISE IN THE EVENT OF A FAILURE OF SERVICES PROVIDED BY COMPANY HEREUNDER DUE TO THE UNCERTAIN VALUE OF SUBSCRIBER'S PROPERTY OR THE PROPERTY OF OTHERS KEPT ON THE PROTECTED PREMISES WHICH MAY BE LOST, STOLEN, DESTROYED, DAMAGED OR OTHERWISE AFFECTED BY OCCURRENCES WHICH THE SYSTEM OR SERVICE IS DESIGNED TO DETECT OR AVERT, INABILITY OF COMPANY TO GUARANTEE POLICE AND FIRE DEPARTMENT RESPONSE TIME, AND ESTABLISHING A CAUSAL CONNECTION BETWEEN SYSTEM OR SERVICE PROBLEMS AND SUBSCRIBER'S POSSIBLE LOSS. THEREFORE, IF ANY LIABILITY IS IMPOSED ON COMPANY, THE EXCLUSIVE LIABILITY OF THE COMPANY SHALL BE LIMITED TO AN AMOUNT EQUAL TO ONE HALF THE ANNUAL SERVICE CHARGE PROVIDED FOR IN PARAGRAPH 3(B) FOR THE PROTECTED PREMISES SUSTAINING THE LOSS, OR \$300.00, WHICHEVER IS GREATER, AS LIQUIDATED DAMAGES AND NOT AS A PENALTY, THE PAYMENT OF THIS AMOUNT SHALL BE COMPANY'S SOLE AND EXCLUSIVE LIABILITY REGARDLESS OF WHETHER LOSS OR DAMAGE IS CAUSED BY THE PERFORMANCE OR NONPERFORMANCE OF OBLIGATIONS UNDER THIS AGREEMENT OR BY THE NEGLIGENCE OF COMPANY, ITS EMPLOYEES, AGENTS, OR REPRESENTATIVES. NO SUIT OR ACTION SHALL BE BROUGHT AGAINST THE COMPANY MORE THAN ONE (1) YEAR AFTER THE ACCRUAL OF THE CAUSE OF ACTION THEREFOR.

If Subscriber wishes Company to increase the amount of the liquidated damages as provided above, Subscriber may as a matter of right, obtain from Company an additional amount of liquidated damages by paying an additional monthly service charge to Company as set forth in the Schedule of Service and Protection.

SUBSCRIBER'S INITIALS: YES _____ NO X ✓

Since the parties agree that Subscriber retains the sole responsibility for the life and safety of all persons in the protected premises, and for protecting against losses to his own property or the property of others in the protected premises, Subscriber agrees to indemnify and hold harmless Company, its employees, agents and representatives from and against all claims, lawsuits and losses, by persons not a party to this Agreement, alleged to be caused by the improper operation of the system, whether due to malfunctioning or nonfunctioning of the system or the negligent performance or nonperformance by Company of the monitoring, signal handling, or dispatching aspects of the service.

NOTICE TO SUBSCRIBER:

1. Subscriber hereby acknowledges that he has read and understands this entire Agreement, including the additional Terms and Conditions on the reverse hereof.
2. Subscriber is entitled to a completely filled in copy of this Agreement.
3. Subscriber acknowledges and understands that this Agreement contains provisions limiting the Company's liability as set forth in Paragraph 4 above.

4. Subscriber may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. See attached notice of cancellation form for an explanation of this right. (Applies only to Residential Sales.)

SUBSCRIBER'S INITIALS: AML ✓

NIGHTHAWK SECURITY SYSTEMS, INC.

SUBSCRIBER Bellefontaine Home Owner's Association

Drawn by Greg Levorchick

By ANDREW LUNOSTEN ✓

Approved by [Signature]

Title DIRECTOR ✓

Title CEO Date 4-22-03

Date 4/25/03 ✓

Alarm Agent Registration No. ACO 2027

ADDITIONAL TERMS AND CONDITIONS

5. OTHER CHARGES AND INCREASES IN CHARGES — Subscriber shall pay any City, State or Federal taxes, fees or charges which are imposed upon the equipment, the installation thereof or performance of the services provided for herein, including any increases in the charges to Company for facilities for transmission of signals under this Agreement. At Company's option, a \$50.00 fee may be charged for any service call made by Company resulting from a false alarm originating from Subscriber's premises where Subscriber intentionally or negligently activates the alarm and no alarm condition exists. If either Subscriber or Company is assessed any fine or penalty by any municipality, fire or police protection district as a result of any false alarm, Subscriber shall pay the full amount of such fine or penalty. The payments set forth in paragraph 3(A) and 3(B) include telephone line charges if required. Company may immediately increase its monthly charges to reflect such increased line charges for the Subscriber facility covered by this Agreement. Subscriber shall also pay any telephone toll line charges incurred by the operation of the system. Installation charges set forth in paragraph 3(A) assume installation will be performed during Company's normal working hours and using its own personnel. If Subscriber requests this installation or any part thereof to be performed outside the ordinary business hours, or if the installation must be performed by outside contractors, the installation charge is subject to revision. If any governmental agency requires any alterations, modifications or additions to the system originally installed, Subscriber agrees to pay for such changes. The prices quoted for the Alarm system in paragraph 3 are based upon the number of components, type of security and service specified in the Schedule of Service and Protection. In the event Subscriber requests or requires additional protection, security devices or services or if the premises of Subscriber are altered, changed or remodeled in any way, Subscriber agrees to pay such charges and expenses. Failure to pay amounts when due shall give the Company the right to charge the legal rate of interest on any delinquent balance.

6. FURTHER OBLIGATIONS OF SUBSCRIBER — Subscriber at its own expense, shall supply appropriate uninterruptable A.C. electric power, outlets for such power, located according to Company's requirements and telephone company interconnection jacks, if required. Subscriber shall not tamper with, alter, adjust, add to, disturb, injure, move, remove, encumber, or otherwise interfere with the equipment installed by Company, nor shall Subscriber permit the same to be done by others. It is further agreed that, if any work is required to be performed by Company, by Subscriber's breach of the foregoing obligations, Subscriber will pay Company for such work in accordance with Company's then current prevailing charges. For those premises where Company is to provide Central Station Service, Subscriber shall furnish Company a list of names, titles, residence addresses, phone numbers and signatures of all persons authorized to enter the premises of Subscriber during scheduled closed periods and shall be responsible for updating such lists. In cases of supervised service, Subscriber shall also furnish Company with an authorized daily and holiday opening and closing schedule. Subscriber shall carefully and properly set the alarm system each night or at such other times Subscriber shall close its premises. Subscriber shall carefully and properly test the alarm system prior to each closed period and shall immediately report to Company any claimed defect, inadequacy or failure in operation of the system. Subscriber shall perform a daily walk test of any motion detection equipment used on the premises. Subscriber shall permit Company access to the premises for any reason arising out of or in connection with Company's rights or obligations under this Agreement. Should any part of the system be damaged by fire, water, act of God, or any cause beyond the control of the Company, any repairs or replacement shall be paid by the Subscriber, ordinary wear and tear excepted. Any claim by Subscriber of improper installation or a defect in the system shall be made in writing to the Company within 30 days of installation completion. Subscriber represents and warrants that Subscriber is the owner of the premises or, if not, that the owner agrees and consents to the installation of the system on the premises. Subscriber shall indemnify and hold the Company harmless from and against any losses or damages, including attorney fees, resulting from breach of such representation and warranty, or from Company's inability to recover leased system components where Subscriber moves out of the premises. For those premises where Company is to provide central station sprinkler supervisory and waterflow alarm or automatic fire alarm service, Subscriber warrants and agrees that all alarm valves, gate valves, tanks, pumps, compressors, inspector test connections, and other elements of the sprinkler system as now installed or to be installed, are, and will be, corrected at Subscriber's expense so as to be acceptable to insurance and other authorities having jurisdiction when equipped with Company's signaling devices. Subscriber further agrees at its sole cost and expense to furnish any necessary water through Subscriber's meter and to place hoods over any open forges or fires, to pipe all boiler blow-offs and steam exhaust outside the premises and to be protected and to take all other action so that Company may provide the sprinkler or fire alarm service in accordance with applicable regulations of the agency having jurisdiction over the premises. For those premises where closed circuit television equipment is provided, Subscriber will provide adequate illumination under all operational conditions for the proper operation of the closed circuit television camera and will provide 110 AC power where required as well as appropriate space for monitors. It is mutually agreed that the Subscriber assumes full responsibility for the operation of any and all bypass or switch units provided for disconnecting or reconnecting the alarm sounding and/or transmitting equipment at Subscriber's premises.

7. FURTHER OBLIGATIONS OF COMPANY; LIMITATIONS — Upon completion of the installation of the system at Subscriber's premises the Company agrees to instruct Subscriber on the proper operation and use of the system. Company shall not be held responsible or liable for any delay in installation of the system or interruption of service, due to strikes, floods, fires, acts of God or any cause beyond the control of Company, including interruptions in telephone service and will not be required to supply service to Subscriber while any such cause shall continue. For those premises where central station monitoring service is provided, Company, upon receipt of an alarm signal from Subscriber's premises, shall make every reasonable effort to transmit the alarm promptly to the police or fire department having jurisdiction except that, to avoid false alarms, Company retains the right, in its sole judgment, to first investigate the cause of the signal(s) by either telephoning Subscriber or dispatching a representative to determine whether an emergency condition exists. Company shall also make a reasonable effort to notify Subscriber's designated representatives by telephone of every genuine alarm received unless instructed to do otherwise by Subscriber. In case of possible telephone line trouble detected by Company, Company shall contact the telephone company and request that they determine the location of the trouble, if unknown to Company. When the trouble has been traced to a specific Subscriber, Company will make a reasonable effort to notify Subscriber or his designated representative. In the event any service or repair to system equipment becomes necessary, Company shall, within a reasonable time, dispatch a representative to Subscriber's premises for the purpose of making the necessary service or repair. It is understood that the telephone company is not the agent of the Company and Company shall not be liable for the telephone company's negligent performance or delay in performance. For those premises where card access security is provided, Company assumes no responsibility or liability for lost or stolen access cards. For those premises with a direct connection to the municipal police, fire department, or other agency shown, it is mutually understood and agreed that signals transmitted hereunder will be monitored in that department or agency and that the

b. **COMPANY OWNED EQUIPMENT** — Any equipment installed on the Subscriber's premises other than the Subscriber owned security system, if any, shall at all times remain solely the property of Company and Subscriber agrees not to permit the attachment thereto of any equipment not furnished by Company. It is further understood and agreed that Company may remove or abandon said system, in whole or in part, upon termination of this Agreement by lapse of time, default by Subscriber of its obligations hereunder, or otherwise without any obligation to repair any portion of Subscriber's premises. Such removal or abandonment shall not be held to constitute a waiver of the right of Company to collect any charges which have accrued hereunder.

9. **SUBSCRIBER-OWNED SECURITY SYSTEM: LIMITED WARRANTY** — Where Subscriber purchases a security system, Company warrants that the equipment and parts of the security system will be free from defects in material and workmanship for a period of 90 days from the date the security system is placed into operation. If during this warranty period, any of the equipment or parts are defective or malfunction, they will be repaired or replaced, at Company's sole option, free of charge. This warranty will not apply if the equipment defect or malfunction was caused by damage (other than damage resulting from a defect or malfunction) which occurred while the system was in the possession of the Subscriber, or occurred because the system was altered, abused, misused, or tampered with by the Subscriber, or used contrary to the operating instructions. If inspection by Company fails to disclose any defect covered by this limited warranty, the equipment will be repaired or replaced at Subscriber's cost and Company's regular service charge will apply. **THIS LIMITED WARRANTY SHALL NOT APPLY TO ANY SECURITY SYSTEM OR EQUIPMENT LEASED BY SUBSCRIBER FROM COMPANY**

DISCLAIMER OF ALL OTHER WARRANTIES: WITH THE EXCEPTION OF THE FOREGOING LIMITED WARRANTY THE COMPANY MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, THAT THE SYSTEM OR SERVICE SUPPLIED MAY NOT BE COMPROMISED, OR THAT THE SYSTEM OR SERVICE WILL IN ALL CASES PROVIDE THE PROTECTION FOR WHICH IT WAS INTENDED, IN NO EVENT, WILL THE COMPANY BE RESPONSIBLE FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES OF ANY NATURE WHATSOEVER.

10. **TERMINATION** — Company may terminate this Agreement prior to the expiration of its term immediately upon written notice: (i) in the event Subscriber defaults in the performance of any of its obligations under this Agreement, including the failure to make any payment as agreed herein, in which case the balance of the monies due and for the unexpired term of this Agreement shall become immediately due and payable; or (ii) in the event the Company's central station, the telephone lines, wires, or Company's equipment within Subscriber's premises are, by any cause beyond the control of Company, destroyed or so substantially damaged that it is commercially impractical to continue service to Subscriber's premises.

Subscriber may terminate the Agreement immediately upon written notice: (i) in the event Subscriber's premises are, by any cause beyond the control of Subscriber, destroyed or so substantially damaged that it is commercially impractical for Subscriber to continue any operation at such premises, or (ii) in the event the Company defaults in the performance of any of its obligations under this Agreement; or (iii) as provided in paragraph 3(C).

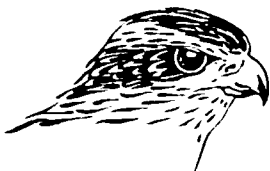
Should Subscriber default in the performance of its obligations under this Agreement, Subscriber shall be responsible for the payment of all costs and expenses including reasonable attorney's fees incurred by Company in connection with any litigation seeking enforcement and/or interpretation of this Agreement. Upon termination of this Agreement, Subscriber shall permit Company access to Subscriber's premises in order to remove the system and Company equipment.

11. **ARREST** — It is understood and agreed that Company shall not be obligated to detain or arrest, however, Subscriber authorizes Company to cause the arrest of any person or persons on or around the premises unauthorized by the Subscriber to enter the premises of Subscriber during the scheduled closed periods and to hold such person or persons until released by Subscriber.

12. **ASSIGNMENT** — This Agreement may not be assigned by Subscriber without the prior written consent of Company. The Company may assign its interest in this Agreement and its obligations hereunder at any time provided the Subscriber receives 30 days' prior written notice.

13. **ENTIRE AGREEMENT** — It is agreed and understood by the parties that this Agreement, including the provisions on the front and back sides of the Agreement and/or a duly executed "rider" constitute the entire Agreement between the parties, and supersedes and replaces all other prior understandings or agreements, whether oral or written relating to the premises covered by this Agreement. This Agreement shall be governed by the Laws of the State of California. In the event any of the terms or provisions of this Agreement shall be invalid or inoperative, all of the remaining terms and provisions shall remain in full force and effect.

This Agreement may not be changed, modified or varied except in writing, signed by an authorized representative of the Company. It is understood and agreed by and between the parties hereto, that if there is any conflict between this Agreement and Subscriber's purchase order, or any other document, this Agreement will govern. This Agreement shall not become binding on Company until approved by Company's Management.



NIGHTHAWK SECURITY SYSTEMS

P.O. BOX 22761 • SAN DIEGO, CA 92122 • (619) 458-9944

INSTALLATION WORKORDER

| | | | | |
|--------------------------|--------------|-------|---------------------|--|
| <u>Bellefontaine</u> | | | <u>order number</u> | |
| subscriber | | | 07/31/03 | |
| <u>2400 Sixth Avenue</u> | | | <u>date</u> | |
| address | | | | |
| <u>San Diego</u> | <u>92101</u> | | <u>Andrew</u> | |
| city | state | phone | person to contact | |

SCHEDULE OF PROTECTION AND SERVICE

Scope of work detailed on "RIDER" 04/25/03

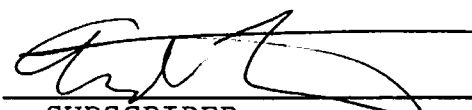
Summary as follows:

- 1 eight(8) door control panel with power supply maglocks, readers. request to exit devices at the following:
 - main lobby entry door
 - P-1 to lobby door
 - P-1 South stairs door
 - P-1 North pedestrian gate
 - P-1 North exterior door to stairs up
 - P-1 North exterior door to stairs down
 - South stairway gate at 2nd floor
 - P-2 South pedestrian gate
 - P-2 lower level elevator call button
 - Main lobby elevator call button
 - programming of key fobs for residences

TELCO INFORMATION: system 14-0430

ACCEPTANCE OF INSTALLATION - THE UNDERSIGNED ACKNOWLEDGES THAT THE ALARM SYSTEM DESCRIBED ABOVE HAS BEEN INSTALLED AND THAT THEY HAVE BEEN INSTRUCTED IN ITS OPERATING PROCEDURES

 7/31/03
 NIGHTHAWK INSTALLER

 7/31/03
 SUBSCRIBER DATE
 ANDREW LUNDSTEN - HOA

COPIES: 1 NIGHTHAWK 2 SUBSCRIBER



NIGHTHAWK SECURITY SYSTEMS, INC.

P.O. BOX 22761 • SAN DIEGO, CA 92192 • (858) 458-9944 • FAX (858) 458-9194

Bellefontaine Home Owner's Association
2400 Sixth Avenue
San Diego, CA 92101

"RIDER" to Installation Agreement dated: 4/25/03

TO BE INSTALLED: Access Control System

Control Equipment

- 1 access control panel with locked enclosure, transformer & battery back-up
 - 8 controlled doors per panel
 - 986 programmable users
 - remote programmable with individual door control
- 1 power supply with back-up batteries

Door 1: Main Lobby Single Entry Door

This controlled access door may utilize the existing electric strike and would interface with the telephone entry system to allow for remote release.

- 1 proximity key reader with interface module
- 1 exit release touch-sense bar
- 1 door status contact
- 1 door-prop local buzzer

Door 2A: Parking Level 1 Single Door to Main Lobby

- 1 electro-magnetic lock with mounting hardware
- 1 proximity key reader with interface module – *P1 to Lobby*
- 1 secondary proximity key reader – *interior lobby to P1*
- 1 door status contact
- 1 door-prop local buzzer

Door 2B: South Stair to Parking Level 1 Single Door

- 1 electro-magnetic lock with mounting hardware
- 1 exit release touch-sense bar – *Fire Marshall Approved Exit Device*
- 1 door status contact
- 1 door-prop local buzzer
 - *This door is an emergency exit and needs to have free egress from the garage side of the door.*

Door 3A: Parking Level 1 North Single Pedestrian Garage Gate

- 1 electro-magnetic lock with mounting hardware – *pedestrian auto door gate*
- 1 proximity key reader with interface module
 - *module will also interface with two(2) North stair doors*
- 1 exit release touch-sense handle / button
- 1 door status contact
- 1 door-prop local buzzer

Door 3B: Parking Level 1 Single Exterior Door to Stairway Up

- 1 electro-magnetic lock with mounting hardware
- 1 exit release touch-sense bar
- 1 door status contact
- 1 door-prop local buzzer
 - *The lock will connect to the reader/interface module for the pedestrian gate*

Door 3C: Parking Level 1 Single Exterior Door to Stairway Down

- 1 electro-magnetic lock with mounting hardware
- 1 exit release touch-sense bar
- 1 door status contact
- 1 door-prop local buzzer
 - *The lock will connect to the reader/interface module for the pedestrian gate*

Door 4: South Stairway Gate at Floor #2

- 1 electro-magnetic lock with mounting hardware
- 1 environmental proximity key reader with interface module
- 1 exit release touch-sense handle / button
- 1 door status contact
- 1 door-prop local buzzer

Door 5: Parking Level 2 Single Pedestrian Garage Gate

- 1 electro-magnetic lock with mounting hardware
- 1 environmental proximity key reader with interface module
- 1 exit release touch-sense handle / button
- 1 door status contact
- 1 door-prop local buzzer

Door 6: Main Lobby Elevator Call Button

The main lobby elevator call button access reader would be programmed to be active only during designated days/times. Outside of the restricted access hours, the reader would not need to be used to push the elevator call button. These time restrictions may be altered after the initial installation/programming. Installation and circuit interface would be coordinated with the property's contracted elevator maintenance company to ensure proper and safe operation and any associated costs from the contracted company would remain the responsibility of the HOA

1 proximity key reader with interface module

Door 7: Lower Parking Level Elevator Call Button

The operation of this access point would replace the existing key lock cylinder. Installation and circuit interface would be coordinated with the property's contracted elevator maintenance company to ensure proper and safe operation and any associated costs from the contracted company would remain the responsibility of the HOA.

1 proximity key reader with interface module

ACCESS KEYS

The individual access proximity keys will be delivered, programmed and ready-to-use. Each key will be coded and assigned to an individual user and/or tenant suite. A group of vendor/contractor keys can also be provided for both temporary and/or permanent assignment. It is recommended that a key be placed inside the property Knox Box for SD Fire Department access in the event of an emergency.

The keys come with a Nighthawk lifetime replacement warranty against manufacture defect / operation failure. Breakage, misuse and loss are not covered.

Keys may also be programmed to be active 24-hours/7-days per week or only during select periods. These parameters can be refined during the initial start-up phase and may be changed afterwards if needed.

An example is might be:

| | | | |
|---------------------|-----------------|-----------|-----------------|
| - Owners / Tenants | All Access | All Hours | All Doors |
| - Permanent Vendors | Monday – Friday | 7am-6pm | Select Doors |
| - Mail Delivery | Monday-Saturday | 7am-6pm | Entry Door Only |
| - Contractors | Monday-Friday | 8am-5pm | Select Doors |

When a key is used to enter a controlled door, a record of the user, time & date are stored in the 1000 event memory of the control panel.

Purchased Key Costs: *(based on batch quantity programmed & delivered)*

| | | |
|------|-----------------|-----------------|
| 1-5 | Programmed Keys | \$26.00 per key |
| 6-10 | Programmed Keys | \$20.00 per key |
| 11+ | Programmed Keys | \$15.80 per key |

Note: Quoted key prices are for calendar year 2003. Subsequent year costs are subject to change without notice.

NOTE:

Should the System *Installation/Service/Programming Agreement* be chosen rather than an outright system purchase, all key costs including equipment, programming, delivery and activation are included. Including emergency, loss de-activation and report retrieval *(up to 4 events per month)*.

Installation by Nighthawk Security Systems, Inc. includes all specified equipment, wiring, conduit and miscellaneous connectors & mounting hardware as needed. Circuits will be run through existing chaseways and access spaces where available. Any exposed circuit runs will be run in EMT metal conduit. Painting of conduit to match existing spaces is not included. Bellefontaine would be responsible for providing and maintaining two 110vac power outlets and one(1) telco line¹ per control panel. All equipment and labor is warranted for one(1) full year against defects following installation completion and the first day of demonstrated/accepted operation. Initial programming and configuration of the complete system is included. Should the purchase option be chosen, any subsequent programming, including the addition/deletion of user cards/keys, schedules etc. would be done by Nighthawk at an additional hourly or per event charge. 30% down-payment is due upon signature acceptance of the proposal(s), 30% due upon commencement of installation, and balance due within 30-days following installation completion/first day of demonstrated/accepted system operation.

¹ The control panel telco line may be "piggybacked" on an existing HOA maintained line so long as the system dial-in/out operation is not hindered by the other telephone equipment on the line.

Installation Costs:

Installation / Purchase \$25,943.00
 Monthly Monitoring \$ 37.00

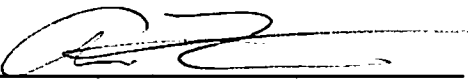
or

Installation \$15,530.00
 Monthly Monitoring / Service / Programming \$ 376.00

The equipment would continue to remain the property of Nighthawk Security Systems. All service, repairs, replacements, software up-grades & programming, including labor is included in this monthly rate. Damage outside of normal wear & tear, ie: due to vandalism, equipment misuse or loss, is not covered and would be billed on a time & material basis. 42-month minimum contract required.

BELLEFONTAINE HOA

NIGHTHAWK SECURITY SYSTEMS

By 
 ANDREW LUNDGREN

Approved by 

Title DIRECTOR

Title CFO

Date 4/25/03

Date 4-22-03