

Bosch Security Systems, Inc. ("Bosch") develops, markets and licenses Bosch Building Integration System software for use in intrusion, fire, access control, CCTV, safety and security systems. This Bosch Software Maintenance Agreement (the "Agreement") sets out the terms and conditions under which Bosch will provide "Maintenance Services" (defined below). The provision of Maintenance Services by Bosch is subject to and conditioned on Customer's acceptance of the terms of this Agreement, and the terms of the Service Level Agreement Supplement (the "Supplement"). By accepting Maintenance Services Customer accepts the terms of this Agreement including the Supplement.

1. Definitions.

1.1 "Agreement" means this Bosch Software Maintenance Agreement, including the Service Level Agreements referred to herein.

1.2 "Bosch Building Integration System Software" or the "Software" means the Bosch Building Integration System Software for which Customer has purchased a license to use.

1.3 "Additional Features" means the expansions or optional features to the Software that are not part of the standard Software modules licensed by Customer at Effective Date, or that are added to the Software configuration after the Effective Date.

1.4 "Effective Date" means the date on which the license activation key for the Software is generated by Bosch.

1.5 "Installation Site" means the specific Customer location where the Software is installed.

1.6 "MSLA" means the "Maintenance Service Level Agreement", which sets out the details of the Maintenance Services as applicable from time to time. The MSLA is located on the Bosch Building Integration System page in the Bosch online product catalog, which can be found on your local Bosch Security Systems website (follow the links from www.boschsecurity.com).

1.7 "Maintenance Services" means the maintenance services as described in this Agreement and in the MSLA.

1.8 "Maintenance Services Fee" means the fee to be paid annually by Customer to receive the Maintenance Services.

1.9 "Major Release" means a major update or upgrade to the Software which includes significant enhancements and/or a major redesign of the Software, identified by Bosch by a change to the first digit in the release number (e.g. change from version 2.0 to 3.0).

1.10 "Minor Release" means a minor update or upgrade to the Software (including service releases or bug fixes), identified by Bosch by a change in the second or following digit in the release number (e.g. change from version 2.1 to 2.2 or 2.2.1 to 2.2.2.).

1.11 "Contract Year" means the period of one (1) year starting at Effective Date of the first Software installation of a Customer, and each subsequent anniversary of the Effective Date. Each Software configuration only has one (1) Contract Year (e.g. from 1st May year A until 30th April year A+1), and adding Additional Features does not affect this period.

2. Start of the Maintenance Services.

2.1 Payment of the license fee for the Software by Customer automatically includes one (1) initial Contract Year of Maintenance Services, commencing on the Effective Date.

2.2 After each Contract Year, the term of this Agreement is only extended if the Customer places a valid order therefor, and pays the then current maintenance Services Fee for the next Contract Year.

3. Description and coverage of the Maintenance Services

3.1 The Maintenance Services are comprised of the technical support (bug-fixing) and technical updates (software maintenance through issuing new Releases) of the Software. The details of the Maintenance Services, which details may list, without limitation, included and excluded services, duties of Customer, and service levels offered by Bosch, are described in the MSLA, which is incorporated herein by reference.

3.2 The MSLA is subject to modification by Bosch via the posting of an updated edition of the MSLA at the Bosch website referenced in Section 3.1 above. Except as stated otherwise in the then current version of the MSLA, a new version of the MSLA will be applicable to and incorporated into this Agreement the earlier of (i) one (1) month after such

MSLA version is posted on the Bosch website, or (ii) the start of the first Contract Year following such posting on the Bosch website.

3.3 The Maintenance Services cover the Software configuration licensed at Effective Date. Additional Features are added to the scope of the Maintenance Services as from the Effective Date of such Additional Feature, subject to Customer having paid the license fee for such Additional Feature. The initial period of Maintenance Services for an Additional Feature runs from the Effective Date of such Additional Feature until the end of the running Contract Year during which the Additional Features are added to the Software configuration.

4. Customer Obligations.

4.1 Contact Information. Customer shall provide Bosch prompt written notice of all changes to Customer's contact information.

4.2 Customer duties under the MSLA. Customer shall comply with its duties as set forth in the MSLA. In the event Customer does not comply with such duties, then Bosch, without limiting other available remedies, may terminate the Agreement upon written notice to Customer.

5. Fees and Payments.

5.1 Maintenance Services Fee.

5.1.1 The Maintenance Services Fee for the initial Contract Year is included in the license fee paid by Customer for the Software.

5.1.2 In the second and each subsequent Contract Year, Customer must order a Maintenance Services renewal for the Software. The Maintenance Services Fee for the second and each subsequent Contract Year must be ordered by Customer. The price of the Maintenance Service Fee shall be eighteen percent (18%) of the then current license fee of the corresponding Software components, after deduction of the license fee discount, if any, provided by Bosch to Customer.

5.2 Additional Features. Additional Features are invoiced at the start of the first Contract Year following the Contract Year in which such Additional Features are activated.

5.3 Reinstatement fee. If Customer wishes to reinstate the Maintenance Services after such Maintenance Services have been terminated, Bosch will charge Customer a reinstatement fee. The reinstatement fee covers the period of time between when the Maintenance Services were terminated and the date the Maintenance Services are to resume. The reinstatement fee will be equal to the then current prevailing Maintenance Services Fees for covered Software components for the lapsed period of time.

5.4 Maintenance Services Fee Changes. Bosch may change (increase or decrease) the Maintenance Services Fee upon written notice at least sixty (60) days prior to the effective date of such change. Such changes do not affect the Maintenance Services fee for the then current Contract Year, but shall only apply as from the start of the next Contract Year.

5.5 Payment.

5.5.1 All Maintenance Services Fee payments shall be in the currency of the license fee paid for the Software.

5.5.2 Taxes. The Maintenance Services Fee is exclusive of all applicable federal, state, provincial and local taxes including, without limitation, sales, use, property, value added, goods and services, excise, and similar taxes, and all such taxes shall be assumed and paid by Customer, excluding taxes on Bosch's net income. In the event that Bosch determines that any such taxes are subject to withholding requirements, Bosch may bill Customer for such taxes, and Customer shall promptly pay the amount billed. If any such tax for which Customer is responsible hereunder is paid by Bosch, Customer agrees to promptly reimburse Bosch therefore.

5.6 **Terms.** Failure of Customer to fully pay any fees within the period specified in the applicable Bosch standard terms and conditions after the applicable due date shall be deemed a material breach of this Agreement, justifying suspension of the performance of Bosch's obligations, and shall be sufficient cause for immediate termination of this Agreement by Bosch. Any termination or suspension of this Agreement does not relieve Customer of paying past due fees plus interest. In the event of collection enforcement, Customer shall be liable for any costs associated with such collection, including, but not limited to, legal costs, attorneys' fees, court costs, and collection agency fees.

6. Warranty and Remedies.

6.1 **Warranty.** Bosch warrants that the Maintenance Services shall be performed in a professionally diligent manner. THE FOREGOING IS A LIMITED WARRANTY AND BOSCH EXPRESSLY DISCLAIMS ANY AND ALL OTHER WARRANTIES, CONDITIONS, AND REPRESENTATIONS OF ANY KIND, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. COMPANY ACKNOWLEDGES THAT IT HAS NOT ENTERED INTO THIS AGREEMENT IN RELIANCE UPON ANY BOSCH WARRANTY OR REPRESENTATION.

6.2 **Remedies.** Bosch's sole obligation and Customer's sole remedy under the limited warranty set forth above are strictly and exclusively limited to re-performance of any Maintenance Services which were not performed in accordance with the above warranty, and which are made known to Bosch by written notice from Customer describing such failure in performance in reasonable detail or, at the election of Bosch, a pro rata refund of the Maintenance Services Fees paid by Customer for the portion of the Maintenance Services which were the subject of Customer's warranty claim.

7. Limitation of Liability.

7.1 THE LIABILITY OF BOSCH AND ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, SHAREHOLDERS, AGENTS, LICENSORS, CONTRACTORS OR REPRESENTATIVES (COLLECTIVELY THE "BOSCH-PARTIES") FOR ANY CLAIM, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT OR NEGLIGENCE, FOR ANY DAMAGES RESULTING FROM OR IN ANY MANNER CONNECTED WITH THIS AGREEMENT OR THE MAINTENANCE SERVICES PERFORMED HEREUNDER, SHALL BE LIMITED TO THE LESSER OF (I) CUSTOMER'S ACTUAL DIRECT DAMAGES RELATED THERETO, OR (II) THE AMOUNT OF THE MAINTENANCE SERVICE FEES PAID BY CUSTOMER FOR THE PORTION OF THE MAINTENANCE SERVICES WHICH ARE THE SUBJECT OF CUSTOMER'S CLAIM. IN NO EVENT SHALL THE AGGREGATE LIABILITY OF THE BOSCH-PARTIES EXCEED THE MAINTENANCE SERVICES FEES PAID BY CUSTOMER HEREUNDER DURING THE CONTRACT YEAR IN WHICH THE CLAIM ACCRUED.

7.2 IN NO EVENT SHALL ANY OF THE BOSCH-PARTIES BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES INCLUDING, BUT NOT LIMITED TO, LOST BUSINESS, LOST PROFITS AND OTHER ECONOMIC DAMAGES, WHETHER FORESEEABLE OR NOT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

8. Term and Termination.

8.1 **Term.** The term of this Agreement shall begin on the Effective Date of the first Contract Year. It shall be renewed for a first and subsequent renewals if Customer has confirmed for each Contract Year a valid order in accordance with the provisions of Section 2.2 hereof.

8.2 **Termination.** Either party may terminate this Agreement at any time upon written notice to the other party.

8.3 Upon the termination of this Agreement by Customer for any reason Bosch shall have the right to retain all amounts paid by Customer to Bosch prior to the effective date of such termination. If Bosch terminates this Agreement for reasons other than a material breach by Customer, Bosch will reimburse a prorated amount for the current Contract Year and any future pre-paid Contract Years. In no event will Bosch make any reimbursement related to the first Contract Year of Maintenance Services.

9. General.

9.1 **Excusable Delay.** Neither party will be liable for any failure of or delay in performance of its obligations under this Agreement (other than failure to pay money when due) to the extent such failure or delay is due to circumstances beyond its reasonable control, including, without limitation, acts of God, acts of a public enemy, fires, wars, terrorist acts, civil disturbances, sabotage, accidents, insurrections, blockades, embargoes, explosions, labor disputes, acts of any governmental body, failure or delay of third parties (including subcontractors) or governmental bodies from whom a party must obtain approvals, franchises, or permits, equipment failure or breakdown, or inability to obtain labor, materials, equipment or transportation, power shortage or blackouts (the foregoing collectively called "Excusable Delay"). Each party will use its best efforts to minimize the duration and consequences of any failure of or delay in performance resulting from an Excusable Delay.

9.2 **Waiver.** Any delay by a party in exercising its rights hereunder will not constitute a waiver of its rights or its ability to enforce any such rights.

9.3 **Severability.** If any provision of this Agreement is for any reason held unenforceable or invalid, then this Agreement will be construed as if such provision were not contained herein.

9.4 **Survival.** The terms and conditions of this Agreement regarding payment, ownership of intellectual property, warranty, indemnification, liability and all others that by their sense and context are intended to survive the execution, delivery, performance, and termination of this Agreement, survive and continue in effect.

9.5 **Governing Law.** This Agreement shall be construed according to the laws of the State of New York and the U.S. The provisions of the United Nations Convention on Contracts for the International Sale of Goods shall not apply. Any dispute will be subject to arbitration under the rules of the American Arbitration Association and shall take place in the Metropolitan area of Rochester, New York, U.S.A.

9.6 **Relationship of the parties.** The relationship of the parties created by this Agreement is that of independent contractor and not that of employer/employee, principal/agent, partnership, joint venture or representative of the other. Neither party shall represent to third parties that it is the representative of the other in any manner or capacity whatsoever.

9.7 **Section Headings.** Section headings are for convenience only and will not be construed as a part of this Agreement.

9.8 **Notices.** All notices, requests, demands or other communications by the parties, other than routine operation communications under this Agreement, required or permitted to be given by one party to the other shall be given in writing by personal delivery or sent (postage prepaid with return receipt or delivery confirmation requested) by registered mail, certified mail, or by courier service (e.g. Federal Express, UPS, etc.), and shall be delivered addressed (i) if to Customer, at the address specified in Part 1 of this Agreement, (ii) if to Bosch, at the addresses specified in Part 3 of this Agreement, or at such other address as either party may notify the other from time to time in accordance with this Section. Such notices, requests, demands or other communications shall be deemed to have been received: (a) if personally delivered, upon delivery; or (b) if sent by registered, certified mail or express mail delivery, upon delivery thereof as evidenced by such return receipt or delivery confirmation.

9.9 **English Language.** The parties hereto expressly required that this Agreement be written in English. The English version of this Agreement will govern in the event of any disagreement over any translation.

9.10 **Entire Agreement.** This Agreement, including the MSLA, any Bosch Standard Terms and Conditions as applicable from time to time, as well as all exhibits, schedules or appendices hereto, constitutes the complete and exclusive statement of the terms hereof and supersedes all prior oral and written statements of any kind made by the parties or their representatives with respect to the subject matter hereof. Any Customer purchase order or similar document issued by Customer shall not be part of this Agreement and shall not add to or modify any of the terms hereof. This Agreement may only be changed or supplemented by a written amendment signed by authorized representatives of the parties.