

Exhibit 4

DRAFT

10/19/2010

9:31:04 AM

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

\$543,000

SECURITY ALARM CREDIT, LLC

MAXIMUM OFFERING \$543,000 NOTES

MINIMUM OFFERING \$125,000 NOTES

SIXTY-ONE MONTHS: 11.00%

SECURITY ALARM CREDIT, LLC (the "Issuer") is hereby offering Senior Subordinate Notes, entitled to interest at the rate of 11.00% per annum (the "Notes"). Principal and interest on the Notes is payable in monthly installments only commencing November 1, 2010. See "Description of the Notes."

The Notes will be issued and registered in the names of the purchasing Noteholders. Interests in the Notes will be shown on, and transfers thereof will be effected through, records maintained by the Issuer. See "Description of the Notes and the Trust Agreement."

Price of Notes 100%

See "Risk Factors" for a discussion of certain risks that should be considered by prospective purchasers of the Notes offered hereby.

THESE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Memorandum is
September 22, 2010

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The Offering of Notes will terminate on November 30, 2010, unless all Notes are sold prior to that date. The Issuer, will consider an extension of the Offering for three (3) months, terminating on February 28, 2011. All subscriptions will be held in an escrow account (the "Escrow Account") at TD Bank (the "Escrow Agent") or at such other financial institution as may be selected by the Issuer. Interest will be earned on funds held in the Escrow Account commencing three days after the funds are deposited until the earlier of the termination of this Offering or release of funds to the Issuer. During the period that an investor's funds are held in the Account, he will not be a Noteholder. An investor's funds will not be held in the Escrow Account more than two months before being invested in the Notes.

The Issuer will furnish to investors certain reports, financial statements and tax information. See "Description of the Notes and Reports".

WHO MAY INVEST

The Notes will generally be offered only to accredited investors ("Accredited Investors") as that term is defined under Regulation D promulgated under the Securities Act of 1933, as amended (the "Act"). The Issuer may, however, offer and sell Notes to 35 or fewer non-accredited investors. With certain exceptions (primarily with respect to institutional investors) an Accredited Investor is an individual who (i) has a net worth (along and together with the Investor's spouse) in excess of \$1,000,000 or (ii) has had gross income in excess of \$200,000 in each of the past two years or joint income with that person's spouse in excess of \$300,000 in each of those years and reasonably expects gross income at the same level in the current year. Corporations, partnerships and other entities will be considered Accredited Investors if each of its beneficial owners individually qualify as Accredited Investors, or if such entity has total assets in excess of \$5 million. Prospective investors to be admitted as Accredited Investors will be required to represent that they satisfy the requirements of an Accredited Investor. See "Suitability".

The Notes offered hereby are suitable only for those investors whose business and investment experience makes them capable of evaluating the merits and risks of their prospective investment in the Notes, who can afford to bear the economic risk of their investment for an indefinite period of time and have no need for liquidity in this investment. Each investor will be required to represent in the Subscription Agreement that he is acquiring the Notes for his own account as principal for investment, and not with a view to resale or distribution, and that he is aware that (a) his transfer rights are restricted; and (b) that the Notes have not been registered under the Act, and therefore, cannot be resold unless they are so registered or unless exemption from registration is available with respect to such transaction. (See "Suitability".) Since there can be no assurance that the Contracts, as hereinafter defined, will generate sufficient income necessary to pay the Notes, investment in the Notes is suited for persons who have substantial income from other sources. See "Risk Factors".

The Issuer may require prospective investors to complete a questionnaire relating to the suitability of the investment for them, and may make or cause to be made such further inquiry as it deems appropriate. The Issuer will collectively have the sole discretion regarding sale of the Notes to any prospective investor. The Issuer reserves the right to reject any subscription for any reason and to allocate to any investor a smaller amount of Notes, or fractions thereof, than that for which he has subscribed. See "Suitability".

SUMMARY OF THE OFFERING

The following summary is qualified in its entirety by the detailed information appearing elsewhere in this Memorandum and the exhibits attached to the Memorandum.

THE ISSUER

Security Alarm Credit, LLC (“SACC”) is a New York limited liability corporation with its office at 40 Start Avenue, Rensselaer, New York 12144. SACC was formed recently formed and is 100% owned by Carolyn Gracey.

SACC is in the business of providing financial advice and capital solutions to businesses engaged in various elements of the Security Alarm industry.

SACC will enter into a Recourse Loan with Anchor Alarm Center, Inc. (“Anchor”) of Suwanee, Georgia. Anchor will borrow \$425,000 from SACC at an annual interest rate of 19.62%. The Anchor Note is more fully described by three principal documents (Grid Note, Credit Agreement, and Security Agreement), as set forth in Exhibit A. Amortization of the Anchor Note is set forth on Exhibit A. The debt service requirements from Anchor will match the debt service required to amortize the Notes being offered by this Private Placement Memorandum and issued by SACC.

The Anchor Note will be pledged as collateral for the Notes being offered hereby. The Anchor Note will be subordinate only to an SBA guaranteed loan to Anchor, currently in the amount of \$484,000. The SBA lender is Quantum National Bank of Suwanee, Georgia. The monthly debt service payment to Quantum is \$9,000. Consequently, it is anticipated that the Quantum Loan will be fully liquidated on November 1, 2015. Once the Quantum loan is liquidated, the SACC Note will assume a senior secured position. The Credit Agreement (Exhibit A) prohibits Anchor from taking on any additional debt during term of the SACC Note. A schedule of secured and unsecured debt is presented in Exhibit B, with valuation estimates of Anchor and corresponding coverage ratios.

The Notes hereby offered will be collateralized by an assignment of the Anchor loan. SACC has no other assets or liabilities. The Notes hereby offered are non-recourse to SACC and are secured only by assignment of the Anchor loan.

The names and positions of the directors and executive officers of the Issuer are as follows:

Name	Position
Carolyn Gracey	Chairman and CEO
Timothy McGinn	Executive Vice President
David Smith	Executive Vice President

The officers and directors of the Issuer will devote such time and effort to the business of the Issuer as they may deem necessary and will actively be engaged in other business ventures.

The principal business occupations of the officers and directors during the past five (5) years are as follows:

Carolyn Gracey, age 48, is the Chairman, CEO and 100% owner of SACC. Ms. Gracey has 10 years of experience in various administrative functions pertaining to security alarm financing, including but not limited to, document preparation and supervision, due diligence, securities filings, billing, collection and management reporting.

Timothy M. McGinn, age 62, is an Executive Vice President of Security Alarm Credit, LLC. From 2003 to 2006, Mr. McGinn served as Chairman of the Board and CEO of Integrated Alarm Services Group, Inc. a NASDAQ listed public company. Mr. McGinn also served as Vice Chairman of Pointe Financial Corp., a NASDAQ-listed financial holding company from 1995-2005. Additionally, Mr. McGinn served as Chairman of the Board of Pointe Bank, a Florida state chartered commercial bank from 1998 – 2005. He has served on a number of corporate and charitable boards of directors and holds a bachelor’s degree in Mechanical Engineering from the Rochester Institute of Technology.

David L. Smith, age 65 is an Executive Vice President of Security Alarm Credit, LLC. Mr. Smith has served on a number of charitable and corporate boards of directors and holds a bachelor's degree from Hamilton College.

THE BUSINESS

Security Alarm Credit, LLC ("SACC") is in the business of providing financial advice and capital solutions to businesses engaged in various components of the Security Alarm Industry. SACC is owned by Carolyn Gracey. Mr. Few has 20 years of experience in the alarm monitoring. Additionally SACC employs two Executive Vice Presidents, Timothy M. McGinn and David L. Smith. Messrs McGinn and Smith have been active in providing capital solutions to the alarm industry for 18 years. Mr. McGinn founded and brought public Integrated Alarm Services Group, Inc. ("IASG") in July 2003 and served as its' Chairman and CEO from January 2003 through June, 2006. Mr. Smith served as a Director of IASG from January, 2003 through July, 2006. SACC has no operating history.

Messrs. McGinn and Smith as well as the investment banking firm founded by them, McGinn, Smith & Co. Inc., are defendants in a civil suit filed by the Securities and Exchange Commission on April 20, 2010. Messrs McGinn and Smith believe the suit is without merit and are executing a vigorous defense. A copy of the complete complaint may be viewed at www.mcginnsmithreceiver.com.

Anchor Alarm Center, Inc. ("Anchor") is a Georgia S corporation based in Suwanee, Georgia. Anchor was founded in 1998 by Michael Latty, who owns 100% of the business. Anchor provides third party central station monitoring to Alarm Dealers, generally on a regional basis. Anchor has grown revenue by 6% per year over the last three years. Anchor operates a fully UL (Underwriters Laboratory) approved central station and has the current capacity to grow accounts handled by 100% without further capital expenditures. Anchor employs 14 full-time employees and operates on a 24 hour, 365 days basis. Anchor is currently licensed in 2 states.

Anchor currently has 205 Alarm Dealers as customers, with the top 10 customers representing 40% of revenues and the top 20 customers representing 60% of revenues.

Customers of Anchor are Alarm Dealers who do not have the critical mass or financial resources to open and maintain their own monitoring station. The average rate per subscriber is \$3.60 Growth of revenue, which has been 6% per year on a compound basis, comes from the recruitment of additional dealers or from existing dealers adding subscribers. Approximately 80% of the aforementioned growth is a result of the latter.

THE OFFERING

Description of the Notes and the Trust Agreement

The Notes will be issued by SACC. The Notes will be available for purchase in minimum denominations of \$50,000.00 and increments of \$25,000.00. The Notes will be registered in the name of the individual Noteholders. See: "Description of the Notes."

The Notes will bear interest at a per annum rate of 11.00%. Interest will accrue on the Notes commencing on the closing date for the purchase of each Note and will be payable to Noteholders monthly on the first day of each month commencing November 1, 2010. Principal payments together with interest will commence on November 1, 2010 in accordance with Exhibit B.

Use of Proceeds

SACC will lend \$425,000 to Anchor if the Maximum Offering is achieved, and \$100,000 to Anchor if the Minimum Offering is achieved. Anchor, in turn, will employ up to \$408,000 of the loan proceeds to extinguish existing debt. The weighted average coupon on the debt to be extinguished is 19.63%, equivalent to the interest rate applied to the loan from SACC. The advantage to Anchor will be improved cash flow since the amortization of the SACC loan is slower than the weighted amortization of the current unsecured debt.

Income Tax Considerations

The Notes will be treated as indebtedness of the Issuer for federal income tax purposes. Each Noteholder will generally be required to report interest income on a Note in accordance with such Noteholder's method of accounting. Each prospective investor should consult with his own tax advisor with respect to the tax consequences of the acquisition, ownership and disposition of the Notes.

RISK FACTORS

In evaluating this Offering, prospective investors should carefully consider, among others, the following risk factors:

- No assurance Anchor will adhere to the debt service payments schedule to SACC
- No market for resale of Notes
- Illiquid collateral
- Subordinate position of Notes to \$484,000 SBA guaranteed loan from Quantum Bank
- No independent Counsel to investors
- Lack of Audited Financial Statements of Anchor
- Non-Recourse nature of SACC Notes offered hereby
- Balloon payment of \$167,143 in month 61
- Dependence of Anchor or Management

No Assurance Anchor will Adhere to Debt Service Schedule

The Notes offered hereby will require Anchor to adhere to the debt service schedule as described in Exhibit B. Security Alarm Credit, LLC ("SACC") has no other assets, the source of repayment for the Notes issued by this Offering rely entirely on Anchor to perform under the schedule described in Exhibit A (Grid Note).

No Market for resale of Notes

There is no secondary market for the resale of Notes hereby offered nor is one likely to develop. Investors should recognize that a purchase of Notes will require a total holding period of 61 months.

Illiquid Collateral

The collateral offered for the Notes hereby offered is an assignment of the Loan made by SACC to Anchor. There is not currently, nor is it likely for one to develop, a liquid market for small loans to private companies.

Subordinate Position of Notes

Anchor currently has outstanding a \$484,000 loan to Quantum Bank, Suwanee, Georgia which is 90% guaranteed by the Small Business Administration (SBA"). The quantum Loan carries an interest rate of Prime + 2.00%, currently 5.25%. The Quantum loan requires monthly debt service of \$9,000 and will be full amortized in November, 2015. At that time the SACC loan to Anchor ("Collateral Loan") will balloon with a final payment of \$167,143. The Collateral Loan will then become a Senior Secured debt.

No Independent Counsel to Investors

No independent counsel has been retained to represent the investors of Noteholders. Each investor is therefore urged to consult with their own counsel regarding the terms and provisions of the Note and all other documents relating to this offering.

Lack of Audited Financial Statements of Anchor

Anchor alarm Center, Inc. has not provided audited financial statements to SACC. Fundamental information provided by Anchor has been linked to tax returns prepared by Gard Lafreniece LLC, an accounting firm located in Alpharetta, Georgia; and internally prepared balance Sheets for period ending December 31, 2007, 2008, and 2009.

Non-Recourse Nature of Notes offered by SACC

The Notes offered by this Offering are Non-Recourse in nature and repayment will be entirely dependent on the performance of Anchor as it relates to the loan to Anchor from SACC.

Balloon Payment of \$167,143 in Month 61

Anchor will be responsible for a balloon payment of \$167,143 to SACC in month 61. There can be no assurance that Anchor will be able to make this payment on a timely basis from internally generated cash or from the refinancing of this obligation. SACC, in turn, will rely on this payment in order to fulfill its responsibilities to Noteholders.

Dependence of Anchor on Management

Anchor Alarm Center Inc. was founded in 1998 by Michael Latty. Mr. Latty has been largely responsible for the technical, marketing, and financial operation of Anchor. There can be no assurance that the management group without Mr. Latty will be capable of performing essential functions at a level which would enable Anchor to meet its obligations.

USE OF PROCEEDS

The net proceeds to Security Alarm Credit, LLC ("SACC") will be \$530,000 if the Maximum Offering for the Notes is achieved. SACC will lend \$425,000 to Anchor Alarm Center, Inc. The terms of the aforementioned loan are more fully described in the 1) Grid Note, 2) Audit Agreement, and 3) Security Agreement as presented in exhibit A. The remaining \$105,000 will be used by SACC for corporate purposes.

Should only the Minimum Offering of \$125,000 be achieved, \$100,000 will be lent to Anchor and \$23,000 will be used by SACC for corporate purposes.

The Security Alarm Industry

The security alarm industry involves (i) manufacturers of alarm system components, (ii) wholesalers who distribute such components, (iii) parties that sell or lease, install and maintain security alarm systems, and (iv) parties that monitor security alarm signals. Sales, leasing, installation, maintenance and monitoring overlap significantly. Within each geographic market, many companies sell or lease, install, maintain and monitor systems. Larger local and regional full service firms and national companies with branch offices, as well as numerous regional and local security companies, also may be present in each geographic market.

Monitoring companies in the security alarm industry typically sell or lease, maintain, monitor and service alarm equipment (directly through their own facilities or indirectly through a contractual relationship with a third party) installed with their subscribers. Generally, the monitoring company and the subscriber enter into a monitoring agreement with respect to the security alarm system when the equipment is installed. The typical monitoring agreement provides that the monitoring company will monitor the system 24 hours per day for a specified fee, payable monthly or quarterly in advance. The monitoring agreement, either a contract or a lease, will typically require the subscriber to pay for monitoring and other services over a specified mandatory period of months, usually 24 to 60 months, at a specified cost per month, usually between \$20.00-\$60.00 per month. Such agreements may also provide that title to the monitoring system equipment remains with the monitoring company.

Most security Alarm Dealers do not have the critical mass of accounts or the financial resources to operated a central monitoring station. Companies such as Anchor Alarm Center, Inc. fill this void. Anchor monitors approximately 25,000 accounts with an average monthly monitoring fee of \$3.60.

The Contracts may provide that the monitoring company is not responsible for interruption of monitoring services due to conditions or circumstances beyond its control, and may include a limitation of liability provision which specifies that the monitoring company is not to be considered an insurer of the system and that the system or service supplied will not avert or prevent occurrences or the consequences therefrom which the system or service is designed to detect. These clauses typically specify that the monitoring company's liability is limited to an amount equal to a percentage of the annual service charge

or a fixed dollar amount, whichever is greater, in the event of a failure of the system or service. However, there can be no assurance that such clauses will be given full force and effect by a court of law.

Security Alarm Competition

The security alarm business is highly competitive and includes large national and regional companies, as well as small local dealers/installers. Competition is based on the cost of providing a given service and the quality of the service. During recent years, consolidation has begun to occur in the industry, partially as a result of companies realizing that monitoring costs are relatively fixed and profits can be increased directly by increasing the number of Contracts monitored. It is anticipated that this industry consolidation will continue. These competitors include national companies which are currently or may become vertically integrated.

TERMS OF THE OFFERING

Issuer:	Security Alarm Credit, LLC ("SACC")
Amount:	\$543,000 Maximum \$125,000 Minimum
Term:	61 Months
Interest Rate:	11.00%
Purpose:	To lend \$425,000 to Anchor Alarm Center, Inc and provide \$105,000 to SACC for corporate purposes (maximum offering) or to lend \$100,000 to Anchor Alarm Center, Inc. and provide \$23,000 to SACC for corporate purposes (minimum offering).
Collateral:	Assignment of Anchor Note
Security Position:	Subordinate to SBA guaranteed loan from Quantum Bank. See exhibit C.
Amortization Schedule:	Approximately \$378,136 of the original issue amount (69.6%) of \$543,000 will be amortized by month 60. A balloon payment of \$164,864 plus interest of \$1,511 will be made in month 61, if the Maximum Offering is achieved. If only the Minimum Offering is achieved (\$125,000), approximately \$90,987 (72.8%) of the original issue amount of \$125,000 will be amortized by month 60 if the Minimum Offering is achieved leaving a balloon.

Subject to the conditions set forth in this Memorandum, Notes in the maximum amount of \$543,000 (the "Maximum Offering") and the minimum amount of \$125,000 (the "Minimum Offering") will be offered by the Issuer.

The Notes will be offered by the Issuer on a best efforts basis over a period of two months.

All funds received by the Issuer from subscriptions for the Notes will be placed in an escrow account (the "Escrow Account") maintained by (the "Escrow Agent"). Interest will be earned on funds held in the Escrow Account commencing three (3) business days after the funds are deposited until the earlier of the termination of this Offering or the investment of the funds in the Notes. During the period that an investor's funds are held in the Escrow Account he will not be considered a Noteholder.

With respect to the Notes, no funding from the Escrow Account will occur until the Minimum Offering is subscribed for. If subscriptions for the Minimum Offering are not received within two months from the date of this Memorandum, subscriptions received with respect to the Notes will be promptly returned in

full to the investor by the Escrow Agent, together with all interest earned while funds were held in the Escrow Account after deducting fees payable to the Escrow Agent. Fees payable to the Escrow Agent will be deducted from interest earned on the Escrow Account.

How to Subscribe

The Notes will be available for purchase in the minimum denomination of \$50,000.00 and increments of \$25,000.00. An investor who meets the qualifications set forth under "Who May Invest" and "Suitability" may subscribe for Notes by completing, signing and delivering to the Issuer an executed copy of the Subscription Agreement contained in this Memorandum. All subscriptions must be accompanied by a check in the amount of the Note(s) purchased payable to *TD Bank, Escrow Agent for Security Alarm Credit, LLC*. Upon execution of a Subscription Agreement, the investor agrees to all of the terms and conditions contained in the Agreement. Subscriptions are, however, subject to acceptance by the Issuer. payment of \$34,018 plus interest of \$312 to be made in Month 61.

DESCRIPTION OF THE NOTES

Notes

The Notes will be issued under the Indenture, a copy of which is included as an exhibit to this Memorandum. The rights of the Noteholders and the obligations of the Issuer as they relate to the Notes will be governed by the. Reference should be made to the Indenture for its complete terms. The statements contained in this Memorandum concerning the Indenture are merely a summary thereof, do not purport to be complete, and do not modify or amend the Indenture.

Subject to the conditions set forth in this Memorandum, Notes in the maximum amount of \$543,000 will be offered by the Issuer. The Notes will be retired in sixty-one 61 (61) months from the date of issuance. The Notes will bear interest on the outstanding principal at a per annum rate of 11.00%, Principal and interest on the Notes will be paid commencing on the first day of November 1, 2010 to and including November 1, 2015, in accordance with the Scheduled Cash Flow set forth on Exhibit B.

The Notes will be issued and registered in the name of the purchasing Noteholder(s). Interest on the Notes will be shown on, and transfers thereof will be effected through, records maintained by the Issuer.

Payments

Payments on the Notes will be made out of the debt service receive from Anchor each month.

Prepayments

The Notes are not subject to a mandatory prepayment or redemption provision.

Registration

Each Note will be registered in the name of the purchaser thereof.

Limited Transferability of the Notes

The Notes are not freely transferable, and there is no secondary market for the Notes and none is expected to develop. The Notes should not be treated by Noteholders as securities.

The Notes have not been registered under the Securities Act of 1933, as amended. They may not be offered for resale in the absence of an opinion of counsel, satisfactory to the Issuer, that registration is not required.

Reports

Not later than January 31 of each year, the Issuer will furnish to the Noteholders statements of interest income on IRS Form 1099-INT and such tax information as shall be necessary in the preparation of such person's Federal income tax return.

SUITABILITY

Notes will be sold only to investors who make a minimum purchase of \$50,000.00.

As described elsewhere in this Memorandum, the Notes will generally be sold only to Accredited Investors as defined in Rule 501 of Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended; provided, however, that at the discretion of the Issuer and the Company, Notes may be sold to up to 35 non-accredited investors. Included in the definition of "Accredited Investor", as defined in Rule 501, are the following:

- (a) any natural person whose individual net worth (including personal residences, furnishings and automobiles), or joint net worth with that person's spouse, at the time of purchase exceeds \$1,000,000;
- (b) any natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and who reasonably expects gross income at the same level in the current year; and
- (c) any entity in which all of the equity owners are Accredited Investors or which has total assets in excess of \$5,000,000.

Each investor accepted as an Accredited Investor will be required to represent that he satisfies the requirements of an Accredited Investor under Rule 501.

Among other things, each investor will be required to acknowledge and represent in the Subscription Agreement that: (i) he is purchasing the Notes for his own account for investment and not with a view to the sale or distribution thereof; (ii) he is aware that the Notes have not been registered for sale under the Securities Act of 1933 as amended, and that he will not transfer his Notes in the absence of an opinion of counsel satisfactory to the Issuer that the Notes have been registered or that registration is not required under the Securities Act of 1933, as then in effect, and under applicable state securities laws, if any; (iii) he understands that this investment involves a high degree of risk; (iv) he has adequate means of providing for his current needs and foreseeable personal contingencies, and has no need for liquidity in this investment; (v) all books, records and documents pertaining to this investment have been made available to him; and (vi) his overall commitment to investments which are not readily marketable is not disproportionate to his net worth and his purchase of Notes will not cause such overall commitment to become excessive.

The Issuer reserves the right to reject any subscription in its entirety for any reason or to allocate to any investor Notes in an aggregate principal amount less than that for which a prospective investor has subscribed. In the event a subscription is rejected, the investor's subscription check for his Notes (or the amount thereof) will be returned, and in the event of a partial rejection, a pro rata amount of the investor's subscription check for his Notes will be refunded.

Prospective investors may be required to complete an Investor Representation Letter relating to the suitability of the investment for them, and the Issuer may make or cause to be made such further inquiry as the Issuer deems appropriate.

Any prospective investor will be afforded the opportunity to obtain from the Issuer prior to the consummation of the transaction contemplated herein any additional information he may request necessary to verify the accuracy of the contents of this Memorandum and which the Issuer possesses or can acquire without unreasonable effort or expense and to confer with, ask questions of, and receive answers from the Issuer or persons authorized to act on its behalf, concerning the terms and conditions of the transaction, this memorandum and any additional information which has been requested and supplied to a prospective investor or his purchaser representative.

The purchase of Notes may be suitable for individuals seeking an investment intended to provide income. An investment in Notes may also be appropriate for corporations and trusts seeking investments which are structured to provide income. Nevertheless, this investment involves a number of significant risks, including no assurance that the Notes will be paid and illiquidity. See "Risk Factors." Accordingly, the

suitability of a purchase of Notes for any particular investor will depend upon, among other things, such investor's investment objectives and such investor's ability and willingness to accept the risks of an investment in the Notes.

PLAN OF DISTRIBUTION

The Issuer is offering a maximum of \$543,000 of Notes, and a minimum of \$125,000. The minimum investment by an investor is \$50,000.00 with increments of \$25,000.00. The Offering period will end not later than November 30, 2010. The Placement Agent, upon request from the Issuer, will consider an extension of the Offering for four (4) months, terminating on February 28, 2011. No Notes will be sold unless subscriptions for the Minimum Offering are received and accepted within two months of the date of this Memorandum. Subscriptions are subject to acceptance by the Issuer. See "Suitability"; "Who May Invest".

During the course of the Offering, the subscription payments will be promptly forwarded by the Issuer to the Escrow Agent for deposit in the Escrow Account. For a description of the distribution of funds from the Escrow Account, see "Terms of the Offering".

The Notes will be offered on a "best efforts" basis by the Issuer.

INCOME TAX CONSIDERATIONS

The following discussion summarizes certain material anticipated federal income tax consequences relevant to the acquisition, ownership and disposition of Notes, but does not purport to address all potential consequences. The summary is for general information only and does not discuss all of the tax consequences that may be relevant to particular investors in light of their personal investment circumstances or holders who receive special treatment under the Internal Revenue Code of 1986, as amended (the "Code"), such as insurance companies, financial institutions, and broker-dealers. In addition, this discussion does not describe any tax consequences arising out of foreign, state or local jurisdictions.

The discussion is based upon current provisions of the Code, applicable regulations promulgated thereunder, judicial authority and administrative rulings and practice. All of the foregoing are subject to change which may be retroactive and could affect the continuing validity of this discussion. There can be no assurance that the Internal Revenue Service (the "IRS") will not take a contrary view, and no ruling from the IRS has been or will be sought.

The Issuer has not obtained an independent tax opinion with regard to this Offering. Prospective investors should consult their own tax advisors regarding the federal, foreign, state, local and other tax consequences of purchasing, holding and disposing of the Notes.

Interest Income to Noteholders

It is anticipated that the Notes will be issued at par value and, therefore, no original issue discount will arise with respect to the Notes. Accordingly, a Noteholder will be required to report interest on a Note as income for federal income tax purposes in accordance with such holder's method of accounting.

Gain or Loss on Disposition of Notes

In general, the holder of a Note will recognize gain or loss on the sale, exchange, redemption or other disposition of a Note equal to the difference between the amount realized (except to the extent attributable to the payment of accrued interest) and the adjusted basis in his Note. Any gain or loss recognized will generally be a Trust gain or loss if the Note is held as a Trust asset and will be long-term gain or loss if the Note is held for more than one year.

Information Reporting

The Issuer will report interest income to Noteholders on IRS Form 1099-INT and as otherwise consistent with such treatment.

Backup Withholding

A Noteholder may be subject to “backup withholding” at the rate of 31% (see IRC~3406(a)) with respect to interest paid on, or the proceeds of a sale, exchange or redemption of, such Notes, unless such holder (i) is a corporation or comes within certain other exempt categories and, when required, demonstrates this fact, or (ii) provides a taxpayer identification number, certifies as to no loss of exemption from backup withholding, and otherwise complies with applicable exemption from backup withholding rules. Any amount withheld under these rules will be creditable against the Noteholder’s federal tax liability.

THE FOREGOING DISCUSSION OF CERTAIN FEDERAL INCOME TAX CONSEQUENCES IS FOR GENERAL INFORMATION ONLY AND IS NOT TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT WITH HIS OR HER OWN TAX ADVISER WITH RESPECT TO THE TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE NOTES.

TABLE OF CONTENTS OF EXHIBITS

The discussion in this Memorandum of each Exhibit set forth below is qualified in its entirety by reference to such Exhibit.

Exhibit “A”	Grid Note, Credit Agreement, General Security Agreement
Exhibit “B”	Debt, Valuation, Coverage Ratios
Exhibit “C”	Maximum Offering Amortization
Exhibit “D”	Minimum Offering Amortization
Exhibit “E”	Illustrative Investment Amortization
Exhibit “F”	Subscription Agreement
Exhibit “G”	Purchaser Questionnaire

ADDITIONAL INFORMATION

Additional information is available upon request to the Issuer. Only additional information provided by the Issuer may be relied upon. Prospective investors may request such information from the Issuer, Security Alarm Credit, LLC, 40 Start Avenue, Rensselaer, NY 12144.

EXHIBIT "A"

GRID NOTE

DRAFT

10/19/2010

9:31:04 AM

GRID NOTE

New York

September 24, 2010

\$425,000.00

BORROWER Anchor Alarm Center, Inc., a Georgia S corporation with its offices at 3750 Industrial Court, Suite J, Suwanee, Georgia 30024.

LENDER: Security Alarm Credit, LLC, a New York Limited Liability Corporation with its offices at 40 Start Avenue, Rensselaer, New York 07436.

Promise to Pay. For value received, and intending to be legally bound, Borrower promises to pay to the order of the Lender on demand, the principal sum of Four Hundred Twenty Five Thousand and 00/100 Dollars (\$425,000.00) (the "Maximum Principal Amount") or the outstanding principal amount of this Note (the "Outstanding Principal Amount"), if less; plus interest as agreed below and all fees and costs (including without limitation attorneys' fees and disbursements, whether for internal or outside counsel) the Lender incurs in order to collect any amount due under this Note, to negotiate or document a workout or restructuring, or to preserve its rights or realize upon any guaranty or other security for the payment of this Note ("Expenses").

Interest. The Outstanding Principal Amount of this Note shall earn interest calculated on the basis of a 365-day year for the actual number of days of each year (365 or 366), from and including the date the proceeds of this Note are disbursed to, but not including, the date all amounts hereunder are paid in full, at a rate per year which shall be nineteen and 62/100 (19.62%) percent.

Maximum Legal Rate. It is the intent of the Lender and of Borrower that in no event shall interest be payable at a rate in excess of the maximum rate permitted by applicable law (the "Maximum Legal Rate"). Solely to the extent necessary to prevent interest under this Note from exceeding the Maximum Legal Rate, Borrower agrees that any amount that would be treated as excessive under a final judicial interpretation of applicable law shall be deemed to have been a mistake and automatically canceled, and, if received by the Lender, shall be refunded to Borrower, without interest.

Term Facility. This is a term loan which will require 61 months of payments of interest and principal. Funding of the loan shall be in increments of Fifty Thousand (\$50,000.00) Dollars. Each such funding shall be repaid in accordance with the schedule set forth in Schedule A.

Payments; Late Charge; Default Rate. Payments shall be made in immediately available United States funds at any office of the Lender. If payment is not received within five (5) days of its due date, Borrower shall pay a late charge equal to the greatest of (a) five percent (5%) of the delinquent amount, or (b) \$50.00. In addition, if the Lender has not actually received any payment under this Note within thirty (30) days after its due date, from and after such thirtieth day the interest rate for all amounts outstanding under this Note shall automatically increase to twenty one and 50/100 (21.50%) percent per year, and any judgment entered hereon or otherwise in connection with any suit to collect amounts due hereunder shall bear interest at such default rate. Payments may be applied in any order in the sole discretion of the Lender, but prior to demand shall be applied first to past due interest, Expenses, late charges, and principal payments, if any, which are past due, then to current interest and Expenses and late charges, and last to remaining principal.

Advances; Authorized Representatives. This Note is issued by Borrower to the Lender in connection with a certain line of credit made available by the Lender to Borrower (the "Credit"). The Lender may make any loan or advance pursuant to the Credit (collectively, "Loan(s)") in reliance upon any oral, telephonic, written, teletransmitted or other request (the "Request(s)") that the Lender in good faith believes to be valid and to have been made by Borrower or on behalf of Borrower by Michael Latty or any other officer, employee or representative of Borrower who is authorized or designated as a signer of loan documents under the provisions of Borrower's most recent resolutions or similar documents on file with the Lender (each an "Authorized Person"). Notwithstanding that individual names may have been provided to the Lender, the Lender shall be permitted at any time to rely solely on the title of an individual to ascertain whether that individual is an Authorized Person. The Lender may act on the Request of any Authorized Person until the Lender shall have received from Borrower, and had a reasonable time to act on, written notice revoking the authority of such Authorized Person. Borrower acknowledges that the transmission between Borrower and Lender of any Request or other instructions with respect to the Credit involves the possibility of errors, omissions, misinterpretations, fraud and mistakes, and agrees to adopt such internal measures and operational procedures as may be necessary to prevent such occurrences. By reason thereof, Borrower hereby assumes all risk of loss and responsibility for, and releases and discharges the Lender from any and all responsibility or liability for, and agrees to indemnify, reimburse on demand and hold Lender harmless from, any and all claims, actions, damages, losses, liability and expenses by reason of, arising out of, or in any way connected with or related to: (i) Lender's accepting, relying on and acting upon any Request or other instructions with respect to the Credit; or (ii) any such error, omission, misinterpretation, fraud or mistake, provided such error, omission, misinterpretation, fraud or mistake is not directly caused by the Lender's gross negligence or willful misconduct. The Lender shall incur no liability to Borrower or to any other person as a direct or indirect result of making any Loan pursuant to this paragraph.

Discretionary Facility. The Lender may modify, restrict, suspend or terminate the Credit at any time for any reason and without affecting Borrower's then existing obligations under this Note. Any Request for a Loan hereunder shall be limited in amount, such that the sum of (i) the principal amount of such Request; and (ii) the Outstanding Principal Amount under this Note does not exceed the Maximum Principal Amount under this Note. Notwithstanding the above, the Lender shall have the sole and absolute discretion whether to make any Loan (or any portion of any Loan) requested by Borrower, regardless of any general availability under the Maximum Principal Amount.

Lender Records Conclusive. The Lender shall set forth on a schedule attached to this Note or maintained on computer, the date and original principal amount of each Loan and the date and amount of each payment to be applied to the Outstanding Principal Amount of this Note. The Outstanding Principal Amount set forth on any such schedule shall be presumptive evidence of the Outstanding Principal Amount of this Note and of all Loans. No failure by the Lender to make, and no error by the Lender in making, any annotation on any such schedule shall affect the Borrower's obligation to pay the principal and interest of each Loan or any other obligation of Borrower to the Lender pursuant to this Note.

Purpose. Borrower certifies (a) that no Loan will be used to purchase margin stock except with the Lender's express prior written consent for each such purchase and (b) that all Loans shall be used for a business purpose, and not for any personal, family or household purpose.

Authorization. Borrower represents that it is duly organized and in good standing or duly constituted in the state of its organization and is duly authorized to do business in all jurisdictions material to the conduct of its business; that the execution, delivery and performance of this Note have been duly authorized by all necessary regulatory action and by its governing instrument; that this Note has been duly executed by an authorized officer or member and constitutes a binding obligation enforceable against Borrower and not in violation of any law, court order or agreement by which Borrower is bound; and that Borrower's performance is not threatened by any pending or threatened litigation.

Miscellaneous. This Note, together with any related loan and security agreements, contains the entire agreement between the Lender and Borrower with respect to each Loan, and supersedes every course of dealing, other conduct, oral agreement and representation previously made by the Lender. All rights and remedies of the Lender under applicable law and this Note are cumulative and not exclusive. No single, partial or delayed exercise by the Lender of any right or remedy shall preclude the subsequent exercise by the Lender at any time of any right or remedy of the Lender without notice. No waiver or amendment of any provision of this Note shall be effective unless made specifically in writing by the Lender. No course of dealing or other conduct, no oral agreement or representation made by the Lender, and no usage of trade, shall operate as a waiver of any right or remedy of the Lender. No waiver of any right or remedy of the Lender shall be effective unless made specifically in writing by the Lender. Borrower agrees that in any legal proceeding, a copy of this Note kept in the Lender's course of business may be admitted into evidence as an original. This Note is a binding obligation enforceable against Borrower and its successors and assigns and shall inure to the benefit of the Lender and its successors and assigns. If a court deems any provision of this Note invalid, the remainder of the Note shall remain in effect. Section headings are for convenience only. Singular number includes plural and neuter gender includes masculine and feminine as appropriate.

Notices. Any demand or notice hereunder or under any applicable law pertaining hereto shall be in writing and duly given if delivered to Borrower (at its address on the Lender's records) or to the Lender (at the address on page one and separately to the Lender officer responsible for Borrower's relationship with the Lender). Such notice or demand shall be deemed sufficiently given for all purposes when delivered (i) by personal delivery and shall be deemed effective when delivered, or (ii) by mail or courier and shall be deemed effective three (3) business days after deposit in an official depository maintained by the United States Post Office for the collection of mail or one (1) business day after delivery to a nationally recognized overnight courier service (e.g., Federal Express). Notice by e-mail is not valid notice under this or any other agreement between Borrower and the Lender.

Governing Law; Jurisdiction. This Note has been delivered to and accepted by the Lender and will be deemed to be made in the State of New York. Except as otherwise provided under federal law, this Note will be interpreted in accordance with the laws of the State of New York excluding its conflict of laws rules. **BORROWER HEREBY IRREVOCABLY CONSENTS TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT IN THE STATE OF NEW YORK IN A COUNTY OR JUDICIAL DISTRICT WHERE THE LENDER MAINTAINS A BRANCH AND CONSENTS THAT THE LENDER MAY EFFECT ANY SERVICE OF PROCESS IN THE MANNER AND AT BORROWER'S ADDRESS SET FORTH ABOVE FOR PROVIDING NOTICE OR DEMAND; PROVIDED THAT NOTHING CONTAINED IN THIS NOTE WILL PREVENT THE LENDER FROM BRINGING ANY ACTION, ENFORCING ANY AWARD OR JUDGMENT OR EXERCISING ANY RIGHTS AGAINST BORROWER INDIVIDUALLY, AGAINST ANY SECURITY OR AGAINST ANY PROPERTY OF BORROWER WITHIN ANY OTHER COUNTY, STATE OR OTHER FOREIGN OR DOMESTIC JURISDICTION.** Borrower acknowledges and agrees that the venue provided above is the most convenient forum for both the Lender and Borrower. Borrower waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Note.

Waiver of Jury Trial. BORROWER AND THE LENDER HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY RIGHT TO TRIAL BY JURY BORROWER AND THE LENDER MAY HAVE IN ANY ACTION OR PROCEEDING, IN LAW OR IN EQUITY, IN CONNECTION WITH THIS NOTE OR THE TRANSACTIONS RELATED HERETO. BORROWER REPRESENTS AND WARRANTS THAT NO REPRESENTATIVE OR AGENT OF THE LENDER HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE LENDER WILL NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THIS JURY TRIAL WAIVER.

BORROWER ACKNOWLEDGES THAT THE LENDER HAS BEEN INDUCED TO ENTER INTO THIS NOTE BY, AMONG OTHER THINGS, THE PROVISIONS OF THIS SECTION.

Acknowledgment. Borrower acknowledges that it has read and understands all the provisions of this Note, including the **Governing Law, Jurisdiction and Waiver of Jury Trial**, and has been advised by counsel as necessary or appropriate.

Anchor Alarm Center, Inc.

By: _____
Name: Michael Latty
Title: President

Signature of Witness

Typed Name of Witness

ACKNOWLEDGMENT

STATE NEW YORK)
 : SS.
COUNTY OF ALBANY)

On the 24th day of September, in the year 2010, before me, the undersigned, a Notary Public in and for said State, personally appeared Michael Latty, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

Schedule A

Lender: Security Alarm Credit, LLC

Borrower: Anchor Alarm Center, Inc.

Month			Begin Balance	Interest	Principal Payments	Debt Service	Ending Balance
1	November	2010	\$425,000	\$8,949	\$1,298	\$8,247	\$423,702
2	December	2010	\$423,702	\$8,928	\$1,319	\$8,247	\$422,382
3	January	2011	\$422,382	\$8,906	\$1,341	\$8,247	\$421,041
4	February	2011	\$421,041	\$8,884	\$1,363	\$8,247	\$419,678
5	March	2011	\$419,678	\$8,862	\$1,385	\$8,247	\$418,293
6	April	2011	\$418,293	\$8,839	\$1,408	\$8,247	\$416,885
7	May	2011	\$416,885	\$8,816	\$1,431	\$8,247	\$415,454
8	June	2011	\$415,454	\$8,793	\$1,454	\$8,247	\$414,000
9	July	2011	\$414,000	\$8,769	\$1,478	\$8,247	\$412,522
10	August	2011	\$412,522	\$8,745	\$1,502	\$8,247	\$411,019
11	September	2011	\$411,019	\$8,720	\$1,527	\$8,247	\$409,493
12	October	2011	\$409,493	\$8,695	\$1,552	\$8,247	\$407,941
13	November	2011	\$407,941	\$8,670	\$1,577	\$8,247	\$406,364
14	December	2011	\$406,364	\$8,644	\$1,603	\$8,247	\$404,761
15	January	2012	\$404,761	\$8,618	\$1,629	\$8,247	\$403,132
16	February	2012	\$403,132	\$8,591	\$1,656	\$8,247	\$401,476
17	March	2012	\$401,476	\$8,564	\$1,683	\$8,247	\$399,793
18	April	2012	\$399,793	\$8,537	\$1,710	\$8,247	\$398,082
19	May	2012	\$398,082	\$8,509	\$1,738	\$8,247	\$396,344
20	June	2012	\$396,344	\$8,480	\$1,767	\$8,247	\$394,577
21	July	2012	\$394,577	\$8,451	\$1,796	\$8,247	\$392,782
22	August	2012	\$392,782	\$8,422	\$1,825	\$8,247	\$390,957
23	September	2012	\$390,957	\$8,392	\$1,855	\$8,247	\$389,102
24	October	2012	\$389,102	\$8,362	\$1,885	\$8,247	\$387,217
25	November	2012	\$387,217	\$8,331	\$1,916	\$8,247	\$385,301
26	December	2012	\$385,301	\$8,300	\$1,947	\$8,247	\$383,353
27	January	2013	\$383,353	\$8,268	\$1,979	\$8,247	\$381,374
28	February	2013	\$381,374	\$8,235	\$2,012	\$8,247	\$379,363
29	March	2013	\$379,363	\$8,203	\$2,044	\$8,247	\$377,318
30	April	2013	\$377,318	\$8,169	\$2,265	\$8,454	\$375,033
31	May	2013	\$375,033	\$8,132	\$4,805	\$10,937	\$370,228
32	June	2013	\$370,228	\$8,053	\$4,884	\$10,937	\$365,344
33	July	2013	\$365,344	\$5,973	\$4,964	\$10,937	\$360,381
34	August	2013	\$360,381	\$5,892	\$5,045	\$10,937	\$355,336
35	September	2013	\$355,336	\$5,810	\$5,127	\$10,937	\$350,209
36	October	2013	\$350,209	\$5,726	\$5,211	\$10,937	\$344,998
37	November	2013	\$344,998	\$5,641	\$5,296	\$10,937	\$339,701
38	December	2013	\$339,701	\$5,554	\$5,383	\$10,937	\$334,318
39	January	2014	\$334,318	\$5,466	\$5,471	\$10,937	\$328,848
40	February	2014	\$328,848	\$5,377	\$5,560	\$10,937	\$323,287
41	March	2014	\$323,287	\$5,286	\$5,651	\$10,937	\$317,636
42	April	2014	\$317,636	\$5,193	\$5,744	\$10,937	\$311,892
43	May	2014	\$311,892	\$5,099	\$5,838	\$10,937	\$306,055
44	June	2014	\$306,055	\$5,004	\$5,933	\$10,937	\$300,122
45	July	2014	\$300,122	\$4,907	\$6,030	\$10,937	\$294,092
46	August	2014	\$294,092	\$4,808	\$6,129	\$10,937	\$287,963
47	September	2014	\$287,963	\$4,708	\$7,065	\$11,773	\$280,898
48	October	2014	\$280,898	\$4,593	\$7,180	\$11,773	\$273,718
49	November	2014	\$273,718	\$4,475	\$7,298	\$11,773	\$266,420
50	December	2014	\$266,420	\$4,356	\$7,417	\$11,773	\$259,003
51	January	2015	\$259,003	\$4,235	\$8,367	\$12,602	\$250,636
52	February	2015	\$250,636	\$4,098	\$8,504	\$12,602	\$242,132
53	March	2015	\$242,132	\$3,959	\$8,643	\$12,602	\$233,489
54	April	2015	\$233,489	\$3,818	\$8,784	\$12,602	\$224,704
55	May	2015	\$224,704	\$3,674	\$8,928	\$12,602	\$215,776
56	June	2015	\$215,776	\$3,528	\$9,074	\$12,602	\$206,702
57	July	2015	\$206,702	\$3,380	\$9,222	\$12,602	\$197,480
58	August	2015	\$197,480	\$3,229	\$10,825	\$14,054	\$186,654
59	September	2015	\$186,654	\$3,052	\$11,002	\$14,054	\$175,652
60	October	2015	\$175,652	\$2,872	\$11,182	\$14,054	\$164,470
61	November	2015	\$164,470	\$2,689	\$164,470	\$167,159	\$0

CREDIT AGREEMENT

New York

Rensselaer, New York September 24, 2010

Borrower: Anchor Alarm Center, Inc., a Georgia S corporation with its offices at 3750 Industrial Court, Suite J, Suwanee, Georgia 30024.

Lender: Security Alarm Credit, LLC, a New York Limited Liability Corporation with its offices at 40 Start Avenue, Rensselaer, New York, 12144.

The Lender and the Borrower agree as follows:

1. DEFINITIONS.

- a. **“Credit”** means any and all credit facilities and any other financial accommodations made by the Lender in favor of the Borrower whether now or hereafter in existence.
- b. **“Obligations”** means any and all indebtedness or other obligations of the Borrower to the Lender in any capacity, now existing or hereafter incurred, however created or evidenced, regardless of kind, class or form, whether direct, indirect, absolute or contingent (including obligations pursuant to any guaranty, endorsement, other assurance of payment or otherwise), whether joint or several, whether from time to time reduced and thereafter increased, or entirely extinguished and thereafter reincurred, together with all extensions, renewals and replacements thereof, and all interest, fees, charges, costs or expenses which accrue on or in connection with the foregoing, including any indebtedness or obligations (i) not yet outstanding but contracted for, or with regard to which any other commitment by the Lender exists; (ii) arising prior to, during or after any pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding; (iii) owed by the Borrower to others and which the Lender obtained, or may obtain, by assignment or otherwise; and (iv) payable under this Agreement.
- c. **“Subsidiary”** means any corporation or other business entity of which at least fifty percent (50%) of the voting stock or other ownership interest is owned by the Borrower directly or indirectly through one or more Subsidiaries. If the Borrower has no Subsidiaries, the provisions of this Agreement relating to the Subsidiaries shall be disregarded, without affecting the applicability of such provisions to the Borrower alone.
- d. **“Transaction Documents”** means this Agreement and all documents, instruments or other agreements by the Borrower in favor of the Lender in connection (directly or indirectly) with the Obligations, whether now or hereafter in existence, including promissory notes, security agreements, guaranties and letter of credit reimbursement agreements.

2. REPRESENTATIONS AND WARRANTIES. The Borrower makes the following representations and warranties, all of which shall be deemed to be continuing representations and warranties as long as this Agreement is in effect:

- a) **Good Standing; Authority.** The Borrower and each Subsidiary (if either is not an individual) is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it was formed. The Borrower and each Subsidiary is duly authorized to do business in each jurisdiction in which failure to be so qualified might have a material adverse effect on its business or assets and has the power and authority to own each of its assets and to use them in the ordinary course of business now and in the future.
- b) **Compliance.** The Borrower and each Subsidiary conducts its business and operations and the ownership of its assets in compliance with each applicable statute, regulation and other law, including environmental laws. All approvals,

including authorizations, permits, consents, franchises, licenses, registrations, filings, declarations, reports and notices (the "Approvals") necessary for the conduct of the Borrower's and each Subsidiary's business and for the Credit have been duly obtained and are in full force and effect. The Borrower and each Subsidiary is in compliance with the Approvals. The Borrower and each Subsidiary is in compliance with its certificate of incorporation, by-laws, partnership agreement, articles of organization, operating agreement or other applicable organizational or governing document as may be applicable to the Borrower or a Subsidiary depending on its organizational structure ("Governing Documents"). The Borrower and each Subsidiary is in compliance with each agreement to which it is a party or by which it or any of its assets is bound.

- c) **Legality.** The execution, delivery and performance by the Borrower of this Agreement and all related documents, including the Transaction Documents, (i) are in furtherance of the Borrower's purposes and within its power and authority; (ii) do not (A) violate any statute, regulation or other law or any judgment, order or award of any court, agency or other governmental authority or of any arbitrator with respect to the Borrower or any Subsidiary or (B) violate the Borrower's or any Subsidiary's Governing Documents, constitute a default under any agreement binding on the Borrower or any Subsidiary or result in a lien or encumbrance on any assets of the Borrower or any Subsidiary; and (iii) have been duly authorized by all necessary organizational actions.
 - d) **Fiscal Year.** The fiscal year of the Borrower is the calendar year.
 - e) **Title to Assets.** The Borrower and each Subsidiary has good and marketable title to each of its assets free of security interests, mortgages or other liens or encumbrances.
 - f) **Judgments and Litigation.** There is no pending or threatened claim, audit, investigation, action or other legal proceeding or judgment, order or award of any court, agency or other governmental authority or arbitrator (any, an "Action") which involves the Borrower, its Subsidiaries or their respective assets and might have a material adverse effect upon the Borrower or any Subsidiary or threaten the validity of the Credit, any Transaction Document or any related document or action.
 - g) **Full Disclosure.** Neither this Agreement nor any certificate, financial statement or other writing provided to the Lender by or on behalf of the Borrower or any Subsidiary contains any statement of fact that is incorrect or misleading in any material respect or omits to state any fact necessary to make any such statement not incorrect or misleading. The Borrower has not failed to disclose to the Lender any fact that might have a material adverse effect on the Borrower or any Subsidiary.
3. **AFFIRMATIVE COVENANTS.** So long as this Agreement is in effect, the Borrower shall:
- a) **Financial Statements and Other Information.** Promptly deliver to the Lender (i) within sixty (60) days after the end of each of its first three fiscal quarters, an unaudited consolidating and consolidated financial statement of the Borrower and each Subsidiary as of the end of such quarter, which financial statement shall consist of income and cash flows for the quarter, for the corresponding quarter in the previous fiscal year and for the period from the end of the previous fiscal year, with a consolidating and consolidated balance sheet as of the quarter end all in such detail as the Lender may request; (ii) within one hundred twenty (120) days after the end of each fiscal year, consolidating and consolidated statements of the Borrower's and each Subsidiary's income and cash flows and its consolidating and consolidated balance sheet as of the end of such fiscal year, setting forth comparative figures for the preceding fiscal year and to be compiled by an independent certified public accountant acceptable to the Lender; all such statements shall be certified by the Borrower's chief financial officer to be correct and in accordance with the Borrower's and each Subsidiary's records and to present fairly the results of the Borrower's and each Subsidiary's operations and cash flows and its financial position at year end; and (iii) with each statement of income, a certificate executed by the Borrower's chief executive and chief financial officers or other such person responsible for the financial management of the Borrower (A) setting forth the computations required to establish the Borrower's compliance with each financial covenant, if any, during the statement period, (B) stating that the signers of the certificate have reviewed this Agreement and the operations and condition (financial or other) of the Borrower and each of its Subsidiaries during the relevant period and (C) stating that no Event of Default occurred during the period, or if an Event of Default did occur, describing its nature, the date(s) of its occurrence or period of existence and what action the Borrower has taken with respect thereto. The Borrower shall also promptly provide the Lender with copies of all annual reports, proxy statements and similar information distributed to shareholders, partners or members, and copies of all filings with the Securities and Exchange Commission and the Pension Benefit Guaranty Corporation, and shall provide, in form satisfactory to the Lender, such additional information, reports or other information as the Lender may from time to time reasonably request regarding the financial and business affairs of the Borrower or any Subsidiary.
 - b) **Accounting; Tax Returns and Payment of Claims.** The Borrower and each Subsidiary will maintain a system of accounting and reserves in accordance with generally accepted accounting principles, has filed and will file each tax return required of it and has paid and will pay when due each tax, assessment, fee, charge, fine and penalty imposed by any taxing authority upon it or any of its assets, income or franchises, as well as all amounts owed to mechanics, materialmen, landlords, suppliers and the like in the normal course of business.
 - c) **Inspections.** Promptly upon the Lender's request, the Borrower will permit, and cause its Subsidiaries to permit, the Lender's officers, attorneys or other agents to inspect its and its Subsidiary's premises, examine and copy its records

and discuss its and its Subsidiary's business, operations and financial or other condition with its and its Subsidiary's responsible officers and independent accountants.

- d) **Personal Guarantee.** Michael Latty, address, hereby irrevocably guarantees the outstanding principal balance of the loan.
 - e) **Changes in Management and Control.** Immediately upon any change in the identity of the Borrower's chief executive officers or in its beneficial ownership, the Borrower will provide to the Lender a certificate executed by its senior individual authorized to transact business on behalf of the Borrower, specifying such change.
 - f) **Notice of Defaults and Material Adverse Changes.** Immediately upon acquiring reason to know of (i) any Event of Default, (ii) any event or condition that might have a material adverse effect upon the Borrower or any Subsidiary or (iii) any Action, the Borrower will provide to the Lender a certificate executed by the Borrower's senior individual authorized to transact business on behalf of the Borrower, specifying the date(s) and nature of the event or the Action and what action the Borrower or its Subsidiary has taken or proposes to take with respect to it.
 - g) **Insurance.** Maintain its, and cause its Subsidiaries to maintain, property in good repair and will on request provide the Lender with evidence of insurance coverage satisfactory to the Lender, including fire and hazard, liability, workers' compensation and business interruption insurance and flood hazard insurance as required. Additionally, Borrower shall maintain, from an Underwriter acceptable to Lender, and in an amount acceptable to Lender, Errors and Omissions Insurance naming Lender a third party insured.
 - h) **Further Assurances.** Promptly upon the request of the Lender, the Borrower will execute, and cause its Subsidiaries to execute, and deliver each writing and take each other action that the Lender deems necessary or desirable in connection with any transaction contemplated by this Agreement.
4. **NEGATIVE COVENANTS.** As long as this Agreement is in effect, the Borrower shall not violate, and shall not suffer or permit any of its Subsidiaries to violate, any of the following covenants. The Borrower shall not:
- a) **Indebtedness.** Permit any indebtedness or increase in indebtedness to any lender, including, but not limited to, Quantum National Bank, 505 Peachtree Boulevard, Suwanee, Georgia(including direct and contingent liabilities) except for trade indebtedness or current liabilities for salary and wages incurred in the ordinary course of business and not substantially overdue.
 - b) **Guaranties.** Become a guarantor, a surety, or otherwise liable for the debts or other obligations of another, whether by guaranty or suretyship agreement, agreement to purchase indebtedness, agreement for furnishing funds through the purchase of goods, supplies or services (or by way of stock purchase, capital contribution, advance or loan) for the purpose of paying or discharging indebtedness, or otherwise, except as an endorser of instruments for the payment of money deposited to its bank account for collection in the ordinary course of business.
 - c) **Liens.** Permit any of its assets to be subject to any security interest, mortgage or other lien or encumbrance except for liens for property taxes not yet due; pledges and deposits to secure obligations or performance for workers' compensation, bids, tenders, contracts other than notes, appeal bonds or public or statutory obligations; and materialmens', mechanics', carriers' and similar liens arising in the normal course of business.
 - d) **Investments.** Make any investment other than in FDIC insured deposits or United States Treasury obligations of less than one year, or in money market or mutual funds administering such investments.
 - e) **Loans.** Make any loan, advance or other extension of credit except for endorsements of negotiable instruments deposited to the Borrower's deposit account for collection, trade credit in the normal course of business and intercompany loans approved in writing by the Lender.
 - f) **Distributions.** Declare or pay any distribution, except for (i) dividends payable solely in stock and (ii) cash dividends paid to the Borrower by its Subsidiary.
 - g) **Changes In Form.** (i) Transfer or dispose of substantially all of its assets, (ii) acquire substantially all of the assets of any other entity, (iii) do business under or otherwise use any name other than its true name, (iv) make any material change in its business, structure, purposes or operations that might have a material adverse effect on the Borrower or any of its Subsidiaries or (v) participate in any merger, consolidation or other absorption.

5. **FINANCIAL COVENANTS.** Intentionally Omitted.

6. **DEFAULT.**

- a) **Events of Default.** Any of the following events or conditions shall constitute an "Event of Default": (i) failure by the Borrower to pay when due (whether at the stated maturity, by acceleration, upon demand or otherwise) the Obligations, or any part thereof, or there occurs any event or condition which after notice, lapse of time or after both notice and lapse of time will permit acceleration of any Obligation; (ii) default by the Borrower in the performance of any

obligation, term or condition of this Agreement, the other Transaction Documents or any other agreement with the Lender or any of its affiliates or subsidiaries (collectively, "Affiliates"); (iii) failure by the Borrower to pay when due (whether at the stated maturity, by acceleration, upon demand or otherwise) any indebtedness or obligation owing to any third party or any Affiliate, the occurrence of any event which could result in acceleration of payment of any such indebtedness or obligation or the failure to perform any agreement with any third party or any Affiliate; (iv) the Borrower is dissolved, becomes insolvent, generally fails to pay or admits in writing its inability generally to pay its debts as they become due; (v) the Borrower makes a general assignment, arrangement or composition agreement with or for the benefit of its creditors or makes, or sends notice of any intended, bulk sale; the sale, assignment, transfer or delivery of all or substantially all of the assets of the Borrower to a third party; or the cessation by the Borrower as a going business concern; (vi) the Borrower files a petition in bankruptcy or institutes any action under federal or state law for the relief of debtors or seeks or consents to the appointment of an administrator, receiver, custodian or similar official for the wind up of its business (or has such a petition or action filed against it and such petition action or appointment is not dismissed or stayed within forty-five (45) days); (vii) the reorganization, merger, consolidation or dissolution of the Borrower (or the making of any agreement therefor); (viii) the entry of any judgment or order of any court, other governmental authority or arbitrator against the Borrower; (ix) falsity, omission or inaccuracy of facts submitted to the Lender or any Affiliate (whether in a financial statement or otherwise); (x) an adverse change in the Borrower, its business, assets, operations, affairs or condition (financial or otherwise) from the status shown on any financial statement or other document submitted to the Lender or any Affiliate, and which change the Lender determines will have a material adverse effect on (a) the Borrower, its business, assets, operations or condition (financial or otherwise), or (b) the ability of the Borrower to pay or perform the Obligations; (xi) any pension plan of the Borrower fails to comply with applicable law or has vested unfunded liabilities that, in the opinion of the Lender, might have a material adverse effect on the Borrower's ability to repay its debts; (xii) any indication or evidence received by the Lender that the Borrower may have directly or indirectly been engaged in any type of activity which, in the Lender's discretion, might result in the forfeiture or any property of the Borrower to any governmental authority; (xiii) the occurrence of any event described in Section 6(a)(i) through and including 6(a)(xii) with respect to any Subsidiary or to any endorser, guarantor or any other party liable for, or whose assets or any interest therein secures, payment of any of the Obligations; or (xiv) the Lender in good faith deems itself insecure with respect to payment or performance of the Obligations.

- b) **Rights and Remedies Upon Default.** Upon the occurrence of any Event of Default, the Lender without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law) to or upon the Borrower, any Subsidiary or any other person (all and each of which demands, presentments, protests, advertisements and notices are hereby waived), may exercise all rights and remedies under the Borrower's or its Subsidiaries' agreements with the Lender or its Affiliates, applicable law, in equity or otherwise and may declare all or any part of any Obligations not payable on demand to be immediately due and payable without demand or notice of any kind and terminate any obligation it may have to grant any additional loan, credit or other financial accommodation to the Borrower or any Subsidiary. All or any part of any Obligations whether or not payable on demand, shall be immediately due and payable automatically upon the occurrence of an Event of Default in Section 6(a)(vi) above. The provisions hereof are not intended in any way to affect any rights of the Lender with respect to any Obligations which may now or hereafter be payable on demand.
7. **EXPENSES.** The Borrower shall pay to the Lender on demand all costs and expenses (including all fees and disbursements of counsel retained for advice, suit, appeal or other proceedings or purpose and of any experts or agents it may retain), which the Lender may incur in connection with (i) the administration of the Obligations, including any administrative fees the Lender may impose for the preparation of discharges, releases or assignments to third-parties; (ii) the enforcement and collection of any Obligations or any guaranty thereof; (iv) the exercise, performance, enforcement or protection of any of the rights of the Lender hereunder; or (v) the failure of the Borrower or any Subsidiary to perform or observe any provisions hereof. After such demand for payment of any cost, expense or fee under this Section or elsewhere under this Agreement, the Borrower shall pay interest at the highest default rate specified in any instrument evidencing any of the Obligations from the date payment is demanded by the Lender to the date reimbursed by the Borrower. All such costs, expenses or fees under this Agreement shall be added to the Obligations.
8. **TERMINATION.** This Agreement shall remain in full force and effect until (i) all Obligations outstanding, or contracted or committed for (whether or not outstanding), shall be finally and irrevocably paid in full and (ii) all Transaction Documents have been terminated by the Lender.
9. **RIGHT OF SETOFF.** If an Event of Default occurs, the Lender shall have the right to set off against the amounts owing under this Agreement and the other Transaction Documents any property held in a deposit or other account or otherwise with the Lender or its Affiliates or otherwise owing by the Lender or its Affiliates in any capacity to the Borrower, its Subsidiary or any guarantor of, or endorser of any of the Transaction Documents evidencing, the Obligations. Such setoff shall be deemed to have been exercised immediately at the time the Lender or such Affiliate elect to do so.
10. **MISCELLANEOUS.**
- a) **Notices.** Any demand or notice hereunder or under any applicable law pertaining hereto shall be in writing and duly given if delivered to Borrower (at its address on the Lender's records) or to the Lender (at the address on page one and separately to the Lender officer responsible for Borrower's relationship with the Lender). Such notice or demand shall be deemed sufficiently given for all purposes when delivered (i) by personal delivery and shall be deemed effective

when delivered, or (ii) by mail or courier and shall be deemed effective three (3) business days after deposit in an official depository maintained by the United States Post Office for the collection of mail or one (1) business day after delivery to a nationally recognized overnight courier service (e.g., Federal Express). Notice by e-mail is not valid notice under this or any other agreement between Borrower and the Lender.

- b) **Generally Accepted Accounting Principles.** Any financial calculation to be made, all financial statements and other financial information to be provided, and all books and records, system of accounting and reserves to be kept in connection with the provisions of this Agreement, shall be in accordance with generally accepted accounting principles consistently applied during each interval and from interval to interval; provided, however, that in the event changes in generally accepted accounting principles shall be mandated by the Financial Accounting Standards Board or any similar accounting body of comparable standing, or should be recommended by Borrower's certified public accountants, to the extent such changes would affect any financial calculations to be made in connection herewith, such changes shall be implemented in making such calculations only from and after such date as Borrower and the Lender shall have amended this Agreement to the extent necessary to reflect such changes in the financial and other covenants to which such calculations relate.
- c) **Indemnification.** If after receipt of any payment of all, or any part of, the Obligations, the Lender is, for any reason, compelled to surrender such payment to any person or entity because such payment is determined to be void or voidable as a preference, an impermissible setoff, or a diversion of trust funds, or for any other reason, the Transaction Documents shall continue in full force and the Borrower shall be liable, and shall indemnify and hold the Lender harmless for, the amount of such payment surrendered. The provisions of this Section shall be and remain effective notwithstanding any contrary action which may have been taken by the Lender in reliance upon such payment, and any such contrary action so taken shall be without prejudice to the Lender's rights under the Transaction Documents and shall be deemed to have been conditioned upon such payment having become final and irrevocable. The provisions of this Section shall survive the termination of this Agreement and the Transaction Documents.
- d) **Further Assurances.** From time to time, the Borrower shall take, and cause its Subsidiaries to take, such action and execute and deliver to the Lender such additional documents, instruments, certificates, and agreements as the Lender may reasonably request to effectuate the purposes of the Transaction Documents.
- e) **Cumulative Nature and Non-Exclusive Exercise of Rights and Remedies.** All rights and remedies of the Lender pursuant to this Agreement and the Transaction Documents shall be cumulative, and no such right or remedy shall be exclusive of any other such right or remedy. In the event of any unreconcilable inconsistencies, this Agreement shall control. No single or partial exercise by the Lender of any right or remedy pursuant to this Agreement or otherwise shall preclude any other or further exercise thereof, or any exercise of any other such right or remedy, by the Lender.
- f) **Governing Law; Jurisdiction.** This Agreement has been delivered to and accepted by the Lender and will be deemed to be made in the State of New York. Except as otherwise provided under federal law, this Agreement will be interpreted in accordance with the laws of the State of New York excluding its conflict of laws rules. **BORROWER HEREBY IRREVOCABLY CONSENTS TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT IN THE STATE OF NEW YORK IN A COUNTY OR JUDICIAL DISTRICT WHERE THE LENDER MAINTAINS A BRANCH AND CONSENTS THAT THE LENDER MAY EFFECT ANY SERVICE OF PROCESS IN THE MANNER AND AT BORROWER'S ADDRESS SET FORTH ABOVE FOR PROVIDING NOTICE OR DEMAND; PROVIDED THAT NOTHING CONTAINED IN THIS AGREEMENT WILL PREVENT THE LENDER FROM BRINGING ANY ACTION, ENFORCING ANY AWARD OR JUDGMENT OR EXERCISING ANY RIGHTS AGAINST BORROWER INDIVIDUALLY, AGAINST ANY SECURITY OR AGAINST ANY PROPERTY OF BORROWER WITHIN ANY OTHER COUNTY, STATE OR OTHER FOREIGN OR DOMESTIC JURISDICTION.** Borrower acknowledges and agrees that the venue provided above is the most convenient forum for both the Lender and Borrower. Borrower waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Agreement.
- g) **Joint and Several; Successors and Assigns.** If there is more than one Borrower, each of them shall be jointly and severally liable for all amounts, which become due, and the performance of all obligations under this Agreement, and the term "the Borrower" shall include each as well as all of them. This Agreement shall be binding upon the Borrower and upon its heirs and legal representatives, its successors and assignees, and shall inure to the benefit of, and be enforceable by, the Lender, its successors and assignees and each direct or indirect assignee or other transferee of any of the Obligations; provided, however, that this Agreement may not be assigned by the Borrower without the prior written consent of the Lender.
- h) **Waivers; Changes in Writing.** No failure or delay of the Lender in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The Borrower expressly disclaims any reliance on any course of dealing or usage of trade or oral representation of the Lender (including representations to make loans to the Borrower) and agrees that none of the foregoing shall operate as a waiver of any right or remedy of the Lender. No notice to or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances. No waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless made specifically in writing by the Lender and then such waiver or consent shall be effective only in

the specific instance and for the purpose for which given. No modification to any provision of this Agreement shall be effective unless made in writing in an agreement signed by the Borrower and the Lender.

- i) **Interpretation.** Unless the context otherwise clearly requires, references to plural includes the singular and references to the singular include the plural; references to "individual" shall mean a natural person and shall include a natural person doing business under an assumed name (e.g., a "DBA"); the word "or" has the inclusive meaning represented by the phrase "and/or"; the word "including", "includes" and "include" shall be deemed to be followed by the words "without limitation"; and captions or section headings are solely for convenience and not part of the substance of this Agreement. Any representation, warranty, covenant or agreement herein shall survive execution and delivery of this Agreement and shall be deemed continuous. Each provision of this Agreement shall be interpreted as consistent with existing law and shall be deemed amended to the extent necessary to comply with any conflicting law. If any provision nevertheless is held invalid, the other provisions shall remain in effect. The Borrower agrees that in any legal proceeding, a photocopy of this Agreement kept in the Lender's course of business may be admitted into evidence as an original.

- j) **Waiver of Jury Trial.** **THE BORROWER AND THE LENDER HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY RIGHT TO TRIAL BY JURY THE BORROWER AND THE LENDER MAY HAVE IN ANY ACTION OR PROCEEDING, IN LAW OR IN EQUITY, IN CONNECTION WITH THIS AGREEMENT OR ANY TRANSACTIONS RELATED HERETO. THE BORROWER REPRESENTS AND WARRANTS THAT NO REPRESENTATIVE OR AGENT OF THE LENDER HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE LENDER WILL NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THIS JURY TRIAL WAIVER. THE BORROWER ACKNOWLEDGES THAT THE LENDER HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE PROVISIONS OF THIS SECTION.**

Acknowledgment. Borrower acknowledges that it has read and understands all the provisions of this Agreement, including the **Governing Law, Jurisdiction and Waiver of Jury Trial**, and has been advised by counsel as necessary or appropriate.

SECURITY ALARM CREDIT, LLC

By: _____

Name: Carolyn Gracey

Title: President

ANCHOR ALARM CENTER, INC.

By: _____

Name: Michael Latty

Title: President

ACKNOWLEDGMENT

STATE NEW YORK)
 : SS.
COUNTY OF)

On the 8th day of January, in the year 2008, before me, the undersigned, a Notary Public in and for said State, personally appeared Carolyn Gracey, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

STATE OF GEORGIA)
 : SS.
COUNTY OF)

On the 24th day of September, 2010, before me, the undersigned, a Notary Public in and for said State, personally appeared Michael Latty, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

GENERAL SECURITY AGREEMENT

New York

Debtor Anchor Alarm Center, Inc, a Georgia S corporation with its offices as 3750 Industrial Court, Suite J, Suwanee, Georgia 30024.

Secured Party: Security Alarm Credit, LLC, a New York Limited Liability Corporation with its offices at 40 Start Avenue, Rensselaer, New York 07436.

For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, Debtor agrees with Secured Party as follows:

2) Security Interests.

a) Grant. As security for the prompt and complete payment and performance when due of all of the Obligations, Debtor does hereby grant equally to each Secured Party a continuing subordinate security interest ("Security Interest") in all personal property and fixtures of Debtor, wherever located, whether now existing or owned or hereafter arising or acquired, whether or not subject to the Uniform Commercial Code, as the same may be in effect in the State of New York, as amended from time to time ("UCC"), and whether or not affixed to any realty, including, without limitation, (i) all accounts, chattel paper, investment property, deposit accounts, documents, goods, equipment, farm products, general intangibles (including trademarks, service marks, trade names, patents, copyrights, licenses, franchises, and alarm monitoring contracts), instruments, inventory, money, letter of credit rights, causes of action (including tort claims) and other personal property (including agreements and instruments not constituting chattel paper or a document, general intangible or instrument); (ii) all additions to, accessions to, substitutions for, replacements of and supporting obligations of the foregoing; (iii) all proceeds and products of the foregoing, including, without limitation, insurance proceeds; and (iv) all business records and information relating to any of the foregoing and any software or other programs for accessing and manipulating such information (collectively, the "Collateral"). Debtor acknowledges and agrees that the foregoing collateral description is intended to cover all assets of Debtor.

b) Obligations. The term "Obligations" means any and all indebtedness or other obligations of Debtor to Secured Party in any capacity, now existing or hereafter incurred, however created or evidenced, regardless of kind, class or form, whether direct, indirect, absolute or contingent (including obligations pursuant to any guaranty, endorsement, other assurance of payment or otherwise), whether joint or several, whether from time to time reduced and thereafter increased, or entirely extinguished and thereafter reincurred, together with all extensions, renewals and replacements thereof, and all interest, fees, charges, costs or expenses which accrue on or in connection with the foregoing, including, without limitation, any indebtedness or obligations (i) arising prior to, during or after any pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding; (ii) owed by Debtor to others and which Secured Party obtained, or may obtain, by assignment or otherwise; or (iii) payable under this Agreement.

3) Covenants. Debtor covenants and agrees as follows:

a) Perfection of Security Interest. Debtor shall execute and deliver to Secured Party such financing statements, control agreements or other documents, in form and content reasonably satisfactory to Secured Party, as Secured Party may from time to time request to perfect and continue the Security Interest. Upon the request of Secured Party, Debtor shall deliver to Secured Party any and all instruments, chattel paper, negotiable documents or other documents evidencing or constituting any part of the Collateral properly endorsed or assigned, in a manner satisfactory to Secured Party. It is expressly understood by both Debtor and Secured Party that any security interest granted to Secured Party will remain in a subordinate position until such time as the SBA guaranteed loan is fully liquidated, whereupon the Security Interest hereby granted to the Secured Party shall become a senior position. Debtor authorizes (both prospectively and retroactively) Secured Party to file financing statements, and any continuations and amendments thereof, with respect to the Collateral without Debtor's signature. A photocopy or other reproduction of any financing statement or this Agreement shall be sufficient as a financing statement for filing in any jurisdiction.

b) Negative Pledge; Disposition of Collateral. Until such time as the Obligations other than that granted to the Lender of the SBA guaranteed loan have been paid in full, Debtor shall not grant or allow the imposition of any lien, security interest or encumbrance on, or assignment of, the Collateral unless consented to in writing by Secured Party. Debtor shall not make or permit to be made any sale, transfer or other disposition of the Collateral; provided, however, prior to the occurrence of an Event of Default, Debtor may in the ordinary course of business consistent with its past practices and with prudent and standard practices used in the industry that is the same or similar to that in which Debtor is engaged: (i) dispose of any Collateral consisting of equipment that is obsolete or worn-out; (ii) sell or exchange any Collateral consisting of equipment in connection with the acquisition of other equipment that is at least as valuable as such equipment, that Debtor intends to use for substantially the same purposes as such equipment and that is not subject to any security interest or other lien or encumbrance; (iii) collect Collateral consisting of accounts or assign such Collateral for purposes of collection; or (iv) sell or lease Collateral consisting of

inventory. A sale, lease or other transfer of such Collateral consisting of inventory in the ordinary course of Debtor's business does not include a transfer in partial or complete satisfaction of any liability or obligation or any bulk sale. Debtor hereby agrees to permit Secured Party to assume a senior secured position once the SBA guaranteed loan is full liquidated.

c) Condition of Collateral; Impermissible Use. Debtor shall keep the Collateral consisting of goods in good condition and shall not commit or permit damage or destruction (other than ordinary wear and tear) to such Collateral. Debtor shall not permit any Collateral consisting of goods (i) to be used in such a manner that would violate any insurance policy or warranty covering the Collateral or that would violate any applicable law of any governmental authority (including any environmental law) now or hereafter in effect; (ii) to become fixtures on any real property on which Secured Party does not have a first priority mortgage lien (unless Secured Party has been provided with an acceptable landlord/mortgagee waiver) or become an accession to any goods not included in the Collateral; or (iii) to be placed in any warehouse that may issue a negotiable document with regard to such Collateral.

d) Modification to Collateral. Debtor shall not, without Secured Party's prior written consent, grant any extension on, compound, settle for less than the full amount of, release (in whole or in part), modify, cancel, or allow for any substitution, credit or adjustment on Collateral consisting of accounts, chattel paper, general intangibles, instruments, documents or investment property, except that in the absence of an Event of Default, Debtor may grant to account debtors, or other persons obligated with respect to the Collateral, extensions, credits, discounts, compromises or settlements in the ordinary course of business consistent with its past practices and consistent with prudent and standard practices used in the industries that are the same or similar to those in which Debtor is engaged.

e) Titled Goods. Debtor shall cause all goods included in the Collateral to be properly titled and registered to the extent required by applicable law. Upon the request of Secured Party, Debtor shall cause the interest of Secured Party to be properly indicated on any certificate of title relating to such goods and deliver to Secured Party each such certificate, and any additional evidence of ownership, certificates of origin or other documents evidencing any interest in such goods.

f) Insurance. Debtor shall, at its own expense and at all times, maintain effective insurance policies covering damage to persons and against fire, flood, theft and all other risks to which the Collateral may be subject, all in such amounts, with such deductibles and issued by such insurance company as shall be satisfactory to Secured Party. Such insurance policies shall have all endorsements that Secured Party may require and shall further (i) name Secured Party, exclusively, as the additional insured on the casualty insurance and the lender's loss payee and/or mortgagee on the hazard insurance; (ii) provide that Secured Party shall receive a minimum of thirty (30) days prior written notice of any amendment or cancellation; and (iii) insure Secured Party notwithstanding any act or neglect of Debtor or other owner of the property described in such insurance. If Debtor fails to obtain the required insurance as provided herein, Secured Party may, but is not obligated, to obtain such insurance as Secured Party may deem appropriate, including, without limitation, if Secured Party so chooses, "single interest insurance" which will cover only Secured Party's interest in the Collateral. Debtor shall pay or reimburse to Secured Party the cost of such insurance. In the event that Debtor receives proceeds resulting from an insurance claim, Debtor shall use such proceeds, at its option, to pay the Obligations or to reconstitute the Collateral. Upon the request of Secured Party, Debtor shall from time to time deliver to Secured Party such insurance policies, or other evidence of such policies satisfactory to Secured Party, and such other related information Secured Party may request. Additionally Debtor shall procure Errors and Omissions coverage from an Underwriter acceptable to Secured Party, and in an amount acceptable to Secured Party.

g) Collateral Information. Debtor shall provide all information, in form and substance satisfactory to Secured Party, that Secured Party shall from time to time request to (i) identify the nature, extent, value, age and location of any of the Collateral, or (ii) identify any account debtor or other party obligated with respect to any chattel paper, general intangible, instrument, investment property, document or deposit account included in the Collateral.

h) Financial Information. Debtor shall furnish to Secured Party financial statements in such form (e.g., audited, reviewed, compiled) and at such intervals as Secured Party shall request from time to time plus any additional financial information that Secured Party may reasonably request. All such financial statements shall be in conformity with generally accepted accounting principles consistently applied.

i) Taxes; Licenses; Compliance with Laws. Before the end of any applicable grace period, Debtor shall pay each tax, assessment, fee and charge imposed by any governmental authority upon the Collateral, the ownership, disposition or use of any of the Collateral, this Agreement or any instrument evidencing any of the Obligations. Debtor shall maintain in full force and effect each license, franchise or other authorization needed for any ownership, disposition or use of the Collateral and the conduct of its business, operations or affairs. Debtor shall comply with all applicable law of any governmental authority (including any environmental law), now or hereafter in effect, applicable to the ownership, disposition or use of the Collateral or the conduct of its business, operations or affairs.

j) Records; Legend. Debtor shall maintain accurate and complete books and records relating to the Collateral in conformity with generally accepted accounting principles consistently applied. At Secured Party's request, Debtor will legend, in form and manner satisfactory to Secured Party, its books and records to indicate the Security Interest.

k) Phone Lines. Debtor shall provide a schedule of all phone lines employed in the monitoring of accounts. Further, Debtor shall provide to Secured Party an irrevocable letter of assignment addressed to all carriers providing such services, which letter will instruct the carrier to transfer the lines to a replacement monitoring station of the Secured Party's choosing. Such transfer to occur only as a result of an Event of Default.

l) Notifications of Change. Promptly upon acquiring knowledge or reason to know of any of the following, Debtor shall notify Secured Party of the occurrence or existence of (i) any Event of Default; (ii) any event or condition that, after notice, lapse of time or after both notice and lapse of time, would constitute an Event of Default; and (iii) any event or condition that has or (so far as can be foreseen) will or might have any material adverse effect on the Collateral (including a material loss, destruction or theft of, or of any damage to, the Collateral, material decline in value of the Collateral or a material default by an account debtor or other party's performance of obligations with respect to the Collateral), on Debtor or its business, operations, affairs or condition (financial or otherwise).

m) Lien Law. If any account or general intangible included in the Collateral represents money owing pursuant to any contract for the improvement of real property or for a public improvement for purposes of the Lien Law of the State of New York (the "Lien Law"), Debtor shall (i) give Secured Party notice of such fact; (ii) receive and hold any money advanced by Secured Party with respect to such account or general intangible as a trust fund to be first applied to the payment of trust claims as such term and/or concept is defined in the Lien Law (in Section 71 thereof, or otherwise); and (iii) until such trust claim is paid, not use or permit the use of any such money for any purpose other than the payment of such trust claims.

n) Protection of Collateral; Further Assurances. Debtor shall, at its own cost, faithfully preserve, defend and protect the Security Interest as a prior perfected security interest in the Collateral under the UCC and other applicable law, superior and prior to the rights of all third parties (other than those permitted pursuant to Section 3.1) and shall defend the Collateral against all setoffs, claims, counterclaims, demands and defenses. At the request of Secured Party, Debtor shall do, obtain, make, execute and deliver all such additional and further acts, things, deeds, assurances and instruments as Secured Party may deem necessary or advisable from time to time in order to attach, continue, preserve, perfect or protect the Security Interest and Secured Party's rights hereunder including obtaining waivers (in form and content acceptable to Secured Party) from landlords, warehousemen and mortgagees. Debtor hereby irrevocably appoints Secured Party, its officers, employees and agents, or any of them, as attorneys-in-fact for Debtor with full power and authority in the place and stead of Debtor and in the name of Debtor or its own name from time to time in Secured Party's discretion, to perform all acts which Secured Party deems appropriate to attach, continue, preserve or perfect and continue the Security Interest, including signing for Debtor (to the extent such signature may be required by applicable law) UCC-1 financing statements, UCC-3 amendment or other instruments and documents relative to attaching, continuing, preserving or perfecting Lender's Security Interest. This power of attorney, being coupled with an interest, is irrevocable and shall not be affected by the subsequent disability or incompetence of Debtor.

4) Representations and Warranties. Debtor represents, warrants and agrees as follows:

a) Title. Debtor holds good and marketable title to the Collateral free and clear from any security interest or other lien or encumbrance of any party, other than the Security Interest or such liens, security interests or other liens or encumbrances specifically permitted by Secured Party and set forth on Exhibit D hereto ("Permitted Liens"). Debtor has not made any prior sale, pledge, encumbrance, assignment or other disposition of any of the Collateral except for the Permitted Liens.

b) Authority. If Debtor is a business entity, it is duly organized, validly existing and in good standing under the laws of the above-named state of organization. Debtor has the full power and authority to grant the Security Interest and to execute, deliver and perform its obligations in accordance with this Agreement. The execution and delivery of this Agreement will not (i) violate any applicable law of any governmental authority or any judgment or order of any court, other governmental authority or arbitrator; (ii) violate any agreement governing Debtor or to which Debtor is a party; or (iii) result in a security interest or other lien or encumbrance on any of its assets. Debtor's certificate of incorporation, by-laws or other organizational documents do not prohibit any term or condition of this Agreement. Each authorization, approval or consent from, each registration and filing with, each declaration and notice to, and each other act by or relating to, any party required as a condition of Debtor's execution, delivery or performance of this Agreement (including any shareholder or board of directors or similar approvals) has been duly obtained and is in full force and effect. Debtor has the power and authority to transact the business in which it is engaged and is duly licensed or qualified and in good standing in each jurisdiction in which the conduct of its business or ownership of property requires such licensing or such qualifications.

c) Judgments and Litigation. There is no pending or threatened claim, audit, investigation, action or other legal proceeding or judgment or order of any court, agency or other governmental authority or arbitrator which involves Debtor or the Collateral and which might have a material adverse effect upon the Collateral, the Debtor, its business, operations, affairs or condition (financial or otherwise), or threaten the validity of this Agreement or any related document or action. Debtor will immediately notify Secured Party upon acquiring knowledge of the foregoing.

d) Enforceability of Collateral. Instruments, chattel paper, accounts or documents which constitute any part of the Collateral are genuine and enforceable in accordance with their terms, comply with the applicable law of any governmental authority concerning form, content, manner of preparation and execution, and all persons appearing to be obligated on such Collateral have authority and capacity to contract and are in fact obligated as they appear to be on such Collateral. There are no restrictions on any assignment or other transfer or grant of the Security Interest by Debtor. Each sum represented by Debtor from time to time as owing on accounts, instruments, deposit accounts, chattel paper and general intangibles constituting any part of the Collateral by account debtors and other parties with respect to such Collateral is the sum actually and unconditionally owing by account debtors and other parties with respect thereto at such time, except for applicable normal cash discounts. None of the Collateral is subject to any defense, set-off, claim or counterclaim of a material nature against Debtor except as to which Debtor has notified Secured Party in writing.

e) Location of Chief Executive Office, Records, Collateral. The locations of the following are listed on page one of this Agreement or, if different or additional, on Exhibit A hereto: (i) Debtor's principal place of business and chief executive office; (ii) the office in which Debtor maintains its books or records relating to the Collateral; (iii) the facility (including any storage facility) at which now owned or subsequently acquired inventory, equipment and fixtures constituting any part of the Collateral shall be kept; and (iv) the real property on which any crop included in the Collateral is growing or is to be grown, or on which any timber constituting any part of the Collateral is or is to be standing. Debtor will not effect or permit any change in any of the foregoing locations (or remove or permit the removal of the records or Collateral therefrom, except for mobile equipment included in the Collateral which may be moved to another location for not more than thirty (30) days) without thirty (30) days prior written notice to Secured Party and all actions deemed necessary by Secured Party to maintain the Security Interest intended to be granted hereby at all times fully perfected and in full force and effect have been taken. All of the locations listed on page one or Exhibit A are owned by Debtor, or if not, by the party(ies) identified on Exhibit A.

f) Structure; Name. Debtor's organizational structure, state of registration and organizational identification number (if any) are stated accurately on page one of this Agreement, and its full legal name and any trade name used to identify it are stated accurately on page one of this Agreement, or if different or additional are listed on Exhibit A hereto. Debtor will not change its name, any trade names or its identity, its organizational structure, state of registration or organizational identification number without thirty (30) days prior written notice to Secured Party. All actions deemed necessary by Secured Party to maintain the Security Interest intended to be granted hereby at all times fully perfected and in full force and effect have been taken.

5) Performance and Expenditures by Secured Party. If Debtor fails to perform or comply with any of the terms hereof, Secured Party, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such terms including the payment or discharge of all taxes, fees, security interest or other liens, encumbrances or claims, at any time levied or placed on the Collateral. An election to make expenditures or to take action or perform an obligation of Debtor under this Agreement, after Debtor's failure to perform, shall not affect Secured Party's right to declare an Event of Default and to exercise its remedies. Nor shall the provisions of this Section relieve Debtor of any of its obligations hereunder with respect to the Collateral or impose any obligation on Secured Party to proceed in any particular manner with respect to the Collateral.

6) Duty of Secured Party. Secured Party's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession shall be to deal with it in the same manner as Secured Party deals with similar property for its own account. Neither Secured Party nor its directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of the Collateral upon the request of Debtor or any other person or to take any other action whatsoever with regard to the Collateral. The powers conferred on Secured Party hereunder are solely to protect Secured Party's interests in the Collateral and shall not impose any duty upon any Secured Party to exercise any such powers. Secured Party shall be accountable only for amounts that it actually receives as a result of the exercise of its powers under this Agreement, and neither it nor its officers, directors, employees or agents shall be responsible to Debtor for any act or failure to act hereunder, except for its own gross negligence or willful misconduct.

7) Certain Rights and Remedies.

a) Inspection; Verification. Secured Party, and such persons as it may designate, shall have the right from time to time after reasonable advance notice to (i) audit and inspect (a) the Collateral, (b) all books and records related thereto (and make extracts and copies from such records), and (c) the premises upon which any of the Collateral or books and records may be located; (ii) discuss Debtor's business, operations, affairs or condition (financial or otherwise) with its officers, accountants; and (iii) verify the validity, amount, quality, quantity, value, condition and status of, or any other matter relating to the Collateral in any manner and through any medium Secured Party may consider appropriate (including contacting account debtors or third party possessing the Collateral for purpose of making such verification). Debtor shall furnish all assistance and information and perform any acts Secured Party may require regarding thereto. Each Party shall bear its respective costs and expenses of any such inspection and verification except that after the occurrence of an Event of Default Debtor shall bear reasonable costs and expenses of any such inspection and verification.

b) Notification of Security Interest. Subsequent to the occurrence of an Event of Default Secured Party may notify any or all account debtors and other person obligated with respect to the Collateral of the Security Interest therein. Upon the request of Secured Party, Debtor agrees to enter into such warehousing, lockbox or other custodial arrangement with respect to any of the Collateral that Secured Party shall deem necessary or desirable.

c) Application of Proceeds. Subsequent to the occurrence of an Event of Default Secured Party may apply the proceeds from the sale, lease or other disposition or realization upon the Collateral to the Obligations in such order and manner and at such time as Secured Party shall, in its sole discretion, determine. Debtor shall remain liable for any deficiency if the proceeds of any sale, lease or other disposition or realization upon the Collateral are insufficient to pay the Obligations. Any proceeds received by Debtor from the Collateral after an Event of Default shall (i) be held by Debtor in trust for Secured Party in the same medium in which received; (ii) not be commingled with any assets of Debtor; and (iii) be delivered to Secured Party in the form received, properly endorsed to permit collection. After an Event of Default, Debtor shall promptly notify Secured Party of the return to or repossession by Debtor of goods constituting part of the Collateral, and Debtor shall hold the same in trust for Secured Party and shall dispose of the same as Secured Party directs.

d) Income and Proceeds of Instruments and Investment Property. Until the occurrence of an Event of Default, Debtor reserves the right to request to receive all cash income or cash distribution (whether in cash or evidenced by check) payable on account of any instrument or investment property constituting part of the Collateral (collectively, "Cash Distribution"). Until actually paid, all rights in the foregoing shall remain subject to the Security Interest. Any other income, dividend, distribution, increase in or profits (including any stock issued as a result of any stock split or dividend, any capital distributions and the like) on account of any instrument or investment property constituting part of the Collateral and, upon the occurrence of an Event of Default, all Cash Distributions, shall be delivered to Secured Party immediately upon receipt, in the exact form received and without commingling with other property which may be received by, paid or delivered to Debtor or for Debtor's account, whether as an addition to, in discharge of, in substitution of, or in exchange of the Collateral. Until delivery, such Collateral shall be held in trust for Secured Party.

e) Intentionally Omitted.

8) Default.

a) Events of Default. Any of the following events or conditions shall constitute an "Event of Default": (i) failure by Debtor to pay within five (5) business days of the date when due (whether at the stated maturity, by acceleration, upon demand or otherwise) the Obligations, or any part thereof, or there occurs any event or condition which after notice, lapse of time or after both notice and lapse of time will permit acceleration of any Obligation; (ii) default by Debtor in the performance of any obligation, term or condition of this Agreement or any other agreement with Secured Party or any of its affiliates or subsidiaries (collectively, "Affiliates"); (iii) failure by Debtor to pay when due (whether at the stated maturity, by acceleration, upon demand or otherwise) any indebtedness or obligation in excess of \$10,000.00 owing to any third party or, the occurrence of any event which could result in acceleration of payment of any such indebtedness or obligation; (iv) Debtor is dissolved, becomes insolvent, generally fails to pay or admits in writing its inability generally to pay its debts as they become due; (v) Debtor makes a general assignment, arrangement or composition agreement with or for the benefit of its creditors or makes, or sends notice of any intended, bulk sale; the sale, assignment, transfer or delivery of all or substantially all of the assets of Debtor to a third party; or the cessation by Debtor as a going business concern; (vi) Debtor files a petition in bankruptcy or institutes any action under federal or state law for the relief of debtors or seeks or consents to the appointment of an administrator, receiver, custodian or similar official for the wind up of its business (or has such a petition or action filed against it and such petition action or appointment is not dismissed or stayed within forty-five (45) days); (vii) the reorganization, merger, consolidation or dissolution of Debtor (or the making of any agreement therefor); (viii) the entry of any judgment or order of any court, other governmental authority or arbitrator against Debtor in excess of \$10,000.00 which is not discharged of record within sixty (60) days of the date of entry; (ix) falsity, omission or inaccuracy of facts submitted to Secured Party or any Affiliate (whether in a financial statement or otherwise); (x) an adverse change in the Collateral, Debtor, its business, operations, affairs or condition (financial or otherwise) from the status shown on any financial statement or other document submitted to Secured Party, and which change will have a material adverse affect on (a) Debtor, its business, operations or condition (financial or otherwise), or (b) the ability of Debtor to pay or perform the Obligations; (xi) any pension plan of Debtor fails to comply with applicable law or has vested unfunded liabilities that might have a material adverse effect on Debtor's ability to repay its debts; or (xii) any indication or evidence received by Secured Party that Debtor may have directly or indirectly been engaged in any type of activity which might result in the forfeiture of any property of Debtor to any governmental authority.

b) Rights and Remedies Upon Default. Upon the occurrence of any Event of Default, Secured Party on five (5) business days notice to Borrower without other presentment, protest, advertisement or notice of any other kind (except any notice required by law) to or upon Debtor or any other person (all and each of which demands, presentments, protests, advertisements and notices are hereby waived), may exercise all rights and remedies of a secured party under the UCC, under other applicable law, in equity or otherwise or available under in this Agreement including:

i) Obligations Immediately Due; Termination of Lending. Secured Party may declare all or any part of any Obligations not payable on demand to be immediately due and payable without demand or notice of any kind. All or any part of any Obligations whether or not payable on demand, shall be immediately due and payable automatically upon the occurrence of an Event of Default in Section 7.1 (vi) above. The provisions hereof are not intended in any way to affect any rights of Secured Party with respect to any Obligations which may now or hereafter be payable on demand. Secured Party may terminate any obligation it may have to grant any additional loan, credit or other financial accommodation to Debtor.

ii) Access to Collateral. Secured Party, or its agents, may peaceably retake possession of the Collateral with or without notice or process of law, and for that purpose may enter upon any premises where the Collateral is located and remove the same. At Secured Party's request, Debtor shall assemble the Collateral and deliver it to Secured Party or any place designated by Secured Party, at Debtor's expense.

iii) Sell Collateral. Secured Party shall have the right to sell, lease or otherwise dispose of the Collateral in one or more parcels at public or private sale or sales upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. Each purchaser at any such sale shall hold the property sold absolutely, free from any claim or right on the part of Debtor. Debtor hereby waives (to the extent permitted by law) all rights of redemption, stay and appraisal which Debtor now has or may at any time in the future have under any applicable law now existing or hereafter enacted. Secured Party shall have the right to use Debtor's premises and any materials or rights of Debtor (including any intellectual property rights) without charge for such sales or disposition of the Collateral or the completion of any work in progress for such times as Secured Party may see fit. Without in any way

requiring notice to be given in the following time and manner, Debtor agrees that with respect to any notice by Secured Party of any sale, lease or other disposition or realization or other intended action hereunder or in connection herewith, whether required by the UCC or otherwise, such notice shall be deemed reasonable and proper if given at least five (5) days before such action in the manner described below in the Section entitled "Notices".

iv) **Collect Revenues.** Secured Party may either directly or through a receiver (i) demand, collect and sue on any Collateral consisting of accounts or any other Collateral including notifying account debtors or any other persons obligated on the Collateral to make payment on the Collateral directly to Secured Party; (ii) file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by Secured Party with respect to the Collateral or to enforce any other right in respect of the Collateral; (iii) take control, in any manner, of any payment or proceeds from the Collateral; (iv) prosecute or defend any suit, action or proceeding brought against Debtor with respect to the Collateral; (v) settle, compromise or adjust any and all claims arising under the Collateral or, to give such discharges or releases as Secured Party may deem appropriate; (vi) receive and collect all mail addressed to Debtor, direct the place of delivery thereof to any location designated by Secured Party; to open such mail; to remove all contents therefrom; to retain all contents thereof constituting or relating to the Collateral; (vii) execute, sign or endorse any and all claims, endorsements, assignments, checks or other instruments with respect to the Collateral; or (viii) generally, use, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral; and Debtor hereby irrevocably appoints Secured Party, its officers, employees and agents, or any of them, as attorneys-in-fact for Debtor with full power and authority in the place and stead of Debtor and in the name of Debtor or in its own name from time to time in Secured Party's discretion, to take any and all appropriate action Secured Party deems necessary or desirable to accomplish any of the foregoing or otherwise to protect, preserve, collect or realize upon the Collateral or to accomplish the purposes of this Agreement. Debtor revokes each power of attorney (including any proxy) heretofore granted by Debtor with regard to the Collateral. This power of attorney, being coupled with an interest, is irrevocable and shall not be affected by the subsequent disability or incompetence of Debtor.

v) **Setoff.** Secured Party may place an administrative hold on and set off against the Obligations any property held in a deposit or other account with Secured Party or any of its Affiliates or otherwise owing by Secured Party or any of its Affiliates in any capacity to Debtor. Such set-off shall be deemed to have been exercised immediately at the time Secured Party or such Affiliate elects to do so.

9) Expenses. Debtor shall pay to Secured Party on demand all reasonable costs and expenses (including all reasonable fees and disbursements of all counsel retained for advice, suit, appeal or other proceedings or purpose and of any experts or agents it may retain), which Secured Party may incur or impose in connection with (i) the preparation of discharges, releases or assignments to third-parties; (ii) the custody or preservation of, or the sale, lease or other disposition or realization on the Collateral; (iii) the enforcement and collection of any Obligations or any guaranty thereof; (iv) the exercise, performance, enforcement or protection of any of the rights of Secured Party hereunder; or (v) the failure of Debtor to perform or observe any provisions hereof. After such demand for payment of any cost, expense or fee under this Section or elsewhere under this Agreement, Debtor shall pay interest at the highest default rate specified in any instrument evidencing any of the Obligations from the date payment is demanded by Secured Party to the date reimbursed by Debtor. All such costs, expenses or fees under this Agreement shall be added to the Obligations.

10) Indemnification. Debtor shall indemnify Secured Party and its Affiliates and each officer, employee, accountant, attorney and other agent thereof (each such person being an "Indemnified Party") on demand, without any limitation as to amount, against each liability, cost and expense (including all reasonable fees and disbursements of all counsel retained for advice, suit, appeal or other proceedings or purpose, and of any expert or agents an Indemnified Party may retain) heretofore or hereafter imposed on, incurred by or asserted against any Indemnified Party (including any claim involving any allegation of any violation of applicable law of any governmental authority (including any environmental law or criminal law)), however asserted and whether now existing or hereafter arising, arising out of any ownership, disposition or use of any of the Collateral; provided, however, the foregoing indemnity shall not apply to liability, cost or expense solely attributable to an Indemnified Party's gross negligence or willful misconduct. This indemnity agreement shall survive the termination of this Agreement. Any amounts payable under this or any other section of this Agreement shall be additional Obligations secured hereby.

11) Miscellaneous.

a) **Notices.** Any demand or notice hereunder or under any applicable law pertaining hereto shall be in writing and duly given if delivered to Debtor (at its address on Secured Party's records) or to Secured Party (at the address on page one and separately to Secured Party's officer responsible for Debtor's relationship with Secured Party). Such notice or demand shall be deemed sufficiently given for all purposes when delivered (i) by personal delivery and shall be deemed effective when delivered, or (ii) by mail or courier and shall be deemed effective three (3) business days after deposit in an official depository maintained by the United States Post Office for the collection of mail or one (1) business day after delivery to a nationally recognized overnight courier service (e.g., Federal Express). Notice by e-mail is not valid notice under this or any other agreement between Debtor and Secured Party.

b) **Governing Law; Jurisdiction.** This Agreement has been delivered to and accepted by Secured Party and will be deemed to be made in the State of New York. Except as otherwise provided under federal law, this Agreement will be interpreted in accordance with the laws of the State of New York excluding its conflict of laws rules. **DEBTOR HEREBY IRREVOCABLY CONSENTS TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT IN THE STATE OF NEW YORK AND CONSENTS THAT SECURED PARTY MAY EFFECT ANY SERVICE OF PROCESS IN THE MANNER AND AT DEBTOR'S ADDRESS SET FORTH ABOVE FOR PROVIDING NOTICE OR**

DEMAND; PROVIDED THAT NOTHING CONTAINED IN THIS AGREEMENT WILL PREVENT SECURED PARTY FROM BRINGING ANY ACTION, ENFORCING ANY AWARD OR JUDGMENT OR EXERCISING ANY RIGHTS AGAINST DEBTOR INDIVIDUALLY, AGAINST ANY SECURITY OR AGAINST ANY PROPERTY OF DEBTOR WITHIN ANY OTHER COUNTY, STATE OR OTHER FOREIGN OR DOMESTIC JURISDICTION. Debtor acknowledges and agrees that the venue provided above is the most convenient forum for both Secured Party and Debtor. Debtor waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Agreement.

c) Security Interest Absolute. All rights of Secured Party hereunder, the Security Interest and all obligations of Debtor hereunder shall be absolute and unconditional irrespective of (i) any filing by or against Debtor of any petition in bankruptcy or any action under federal or state law for the relief of debtors or the seeking or consenting to of the appointment of an administrator, receiver, custodian or similar officer for the wind up of its business; (ii) any lack of validity or enforceability of any agreement with respect to any of the Obligations, (iii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from any agreement or instrument with respect to the Obligations, (iv) any exchange, release or non-perfection of any lien or any release or amendment or waiver of or consent under or departure from any guarantee, securing or guaranteeing all or any of the Obligations, or (v) any other circumstance that might otherwise constitute a defense available to, or a discharge of, Debtor in respect of the Obligations or this Agreement. If, after receipt of any payment of all or any part of the Obligations, Secured Party is for any reason compelled to surrender such payment to any person or entity, because such payment is determined to be void or voidable as a preference, impermissible setoff, or a diversion of trust funds, or for any other reason, such payment shall be reinstated as part of the Obligations and this Agreement shall continue in full force notwithstanding any contrary action which may have been taken by Secured Party in reliance upon such payment, and any such contrary action so taken shall be without prejudice to Secured Party's rights under this Agreement and shall be deemed to have been conditioned upon such payment having become final and irrevocable.

d) Remedies Cumulative; Preservation of Rights. The rights and remedies herein are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies which Secured Party may have under other agreements now or hereafter in effect between Debtor and Secured Party, at law (including under the UCC) or in equity. No failure or delay of Secured Party in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. Debtor expressly disclaims any reliance on any course of dealing or usage of trade or oral representation of Secured Party including representations to make loans to Debtor. No notice to or demand on Debtor in any case shall entitle Debtor to any other or further notice or demand in similar or other circumstances.

e) Intentionally Omitted.

f) Waivers; Changes in Writing. No course of dealing or other conduct, no oral agreement or representation made by Secured Party or usage of trade shall operate as a waiver of any right or remedy of Secured Party. No waiver of any provision of this Agreement or consent to any departure by Debtor therefrom shall in any event be effective unless made specifically in writing by Secured Party and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No modification to any provision of this Agreement shall be effective unless made in writing in an agreement signed by Debtor and Secured Party.

g) Interpretation. Unless the context otherwise clearly requires, references to plural includes the singular and references to the singular include the plural; the word "or" has the inclusive meaning represented by the phrase "and/or"; the word "including", "includes" and "include" shall be deemed to be followed by the words "without limitation"; and captions or section headings are solely for convenience and not part of the substance of this Agreement. Any representation, warranty, covenant or agreement herein shall survive execution and delivery of this Agreement and shall be deemed continuous. Each provision of this Agreement shall be interpreted as consistent with existing law and shall be deemed amended to the extent necessary to comply with any conflicting law. If any provision nevertheless is held invalid, the other provisions shall remain in effect. Debtor agrees that in any legal proceeding, a photocopy of this Agreement kept in Secured Party's course of business may be admitted into evidence as an original. Terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the UCC.

h) Waiver of Jury Trial. DEBTOR AND SECURED PARTY HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY RIGHT TO TRIAL BY JURY DEBTOR AND SECURED PARTY MAY HAVE IN ANY ACTION OR PROCEEDING, IN LAW OR IN EQUITY, IN CONNECTION WITH THIS AGREEMENT OR ANY TRANSACTIONS RELATED HERETO. DEBTOR REPRESENTS AND WARRANTS THAT NO REPRESENTATIVE OR AGENT OF SECURED PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SECURED PARTY WILL NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THIS JURY TRIAL WAIVER. DEBTOR ACKNOWLEDGES THAT SECURED PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE PROVISIONS OF THIS SECTION.

Dated September 24, 2010

Anchor Alarm Center, Inc.

By: _____

ACKNOWLEDGMENT

STATE OF GEORGIA _____)
) ss.:
COUNTY OF _____)

On the _____ day of _____, in the year 2009, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument, and that such individual made such appearance before the undersigned in the City/Town of _____, _____ County and State of _____.

Notary Public

DRAFT

10/19/2010
EXHIBIT "B"

9:31:04 AM

DEBT, VALUATION, COVERAGE RATIOS

Exhibit B

Anchor Alarm Center, LLC
Debt, Valuation, Coverage Ratios

Month	Date	Year	Quantum "SBA" Loan	SACC Loan	Unsecured Debt	Total Secured Debt	Total Debt	Monitoring "RMR"	Valuation at 18X	Coverage Ratio Secured	Coverage Ratio Total
1	November	2010	\$477,118	\$423,702	\$344,472	\$900,818	\$1,245,291	\$90,111	\$1,441,776	160.05%	115.78%
2	December	2010	\$470,205	\$422,382	\$338,908	\$892,587	\$1,231,495	\$90,381	\$1,448,101	162.01%	117.43%
3	January	2011	\$463,282	\$421,041	\$333,308	\$884,303	\$1,217,611	\$90,652	\$1,450,440	164.02%	119.12%
4	February	2011	\$456,289	\$419,878	\$327,871	\$875,987	\$1,203,639	\$90,924	\$1,454,791	188.08%	120.87%
5	March	2011	\$449,285	\$418,283	\$321,988	\$867,578	\$1,189,578	\$91,197	\$1,459,155	166.19%	122.66%
6	April	2011	\$442,251	\$418,885	\$316,288	\$859,138	\$1,176,424	\$91,471	\$1,463,533	170.35%	124.51%
7	May	2011	\$435,188	\$415,454	\$310,541	\$850,640	\$1,161,181	\$91,745	\$1,467,923	172.67%	126.42%
8	June	2011	\$428,089	\$414,000	\$304,757	\$842,089	\$1,146,848	\$92,020	\$1,472,327	174.84%	128.38%
9	July	2011	\$420,962	\$412,522	\$298,835	\$833,484	\$1,132,419	\$92,297	\$1,476,744	177.18%	130.41%
10	August	2011	\$413,804	\$411,019	\$293,075	\$824,824	\$1,117,898	\$92,673	\$1,481,174	179.57%	132.60%
11	September	2011	\$403,814	\$409,493	\$287,177	\$816,107	\$1,103,254	\$92,851	\$1,485,618	182.04%	134.65%
12	October	2011	\$399,393	\$407,941	\$281,240	\$807,334	\$1,088,575	\$93,130	\$1,490,075	184.67%	136.88%
13	November	2011	\$392,141	\$406,364	\$275,285	\$798,504	\$1,073,770	\$93,409	\$1,494,545	187.17%	139.19%
14	December	2011	\$384,856	\$404,781	\$269,252	\$789,617	\$1,058,869	\$93,689	\$1,499,029	189.84%	141.57%
15	January	2012	\$377,540	\$403,132	\$263,199	\$780,672	\$1,043,870	\$93,970	\$1,503,528	192.59%	144.03%
16	February	2012	\$370,192	\$401,476	\$257,107	\$771,888	\$1,028,774	\$94,252	\$1,508,038	195.43%	146.59%
17	March	2012	\$362,811	\$399,783	\$250,975	\$762,804	\$1,013,579	\$94,535	\$1,512,560	198.34%	149.23%
18	April	2012	\$355,399	\$398,082	\$244,803	\$753,481	\$998,284	\$94,819	\$1,517,098	201.35%	151.97%
19	May	2012	\$347,954	\$396,344	\$238,591	\$744,298	\$982,889	\$95,103	\$1,521,649	204.44%	154.81%
20	June	2012	\$340,476	\$394,877	\$232,339	\$735,053	\$967,392	\$95,388	\$1,526,214	207.63%	157.77%
21	July	2012	\$332,965	\$392,782	\$226,046	\$726,747	\$951,794	\$95,676	\$1,530,793	210.93%	160.83%
22	August	2012	\$325,422	\$390,987	\$219,713	\$718,379	\$936,092	\$95,962	\$1,535,385	214.33%	164.02%
23	September	2012	\$317,848	\$389,102	\$213,338	\$709,948	\$920,286	\$96,249	\$1,539,991	217.84%	167.34%
24	October	2012	\$310,237	\$387,217	\$206,921	\$697,453	\$904,376	\$96,538	\$1,544,611	221.46%	170.76%
25	November	2012	\$302,594	\$385,301	\$200,463	\$687,894	\$888,358	\$96,828	\$1,549,245	225.22%	174.39%
26	December	2012	\$294,918	\$383,353	\$193,983	\$678,271	\$872,234	\$97,118	\$1,553,883	229.10%	178.15%
27	January	2013	\$287,208	\$381,374	\$187,421	\$668,582	\$856,003	\$97,410	\$1,558,555	233.11%	182.07%
28	February	2013	\$279,464	\$379,363	\$180,838	\$658,827	\$839,664	\$97,702	\$1,563,230	237.27%	186.17%
29	March	2013	\$271,687	\$377,318	\$174,209	\$649,005	\$823,214	\$97,995	\$1,567,920	241.69%	190.46%
30	April	2013	\$263,878	\$375,033	\$167,538	\$638,909	\$806,447	\$98,289	\$1,572,624	246.14%	195.01%
31	May	2013	\$256,030	\$370,228	\$160,824	\$628,258	\$787,083	\$98,584	\$1,577,342	251.87%	200.40%
32	June	2013	\$248,150	\$365,344	\$154,067	\$613,496	\$767,561	\$98,880	\$1,582,074	267.88%	206.12%
33	July	2013	\$240,236	\$360,381	\$147,265	\$600,617	\$747,882	\$99,176	\$1,586,820	264.20%	212.18%
34	August	2013	\$232,287	\$355,336	\$140,419	\$587,623	\$728,042	\$99,474	\$1,591,580	270.86%	218.81%
35	September	2013	\$224,303	\$350,209	\$133,529	\$574,512	\$708,041	\$99,772	\$1,596,355	277.86%	225.46%
36	October	2013	\$216,285	\$344,998	\$126,594	\$561,282	\$687,878	\$100,072	\$1,601,144	285.27%	232.77%
37	November	2013	\$208,231	\$339,701	\$119,614	\$547,932	\$667,546	\$100,372	\$1,605,948	293.09%	240.57%
38	December	2013	\$200,142	\$334,318	\$112,588	\$534,480	\$647,049	\$100,673	\$1,610,766	301.38%	248.94%
39	January	2014	\$192,017	\$328,848	\$105,517	\$520,865	\$626,382	\$100,976	\$1,615,598	310.18%	257.93%
40	February	2014	\$183,858	\$323,287	\$98,400	\$507,145	\$605,646	\$101,278	\$1,620,445	319.52%	267.60%
41	March	2014	\$175,662	\$317,636	\$91,237	\$493,298	\$584,634	\$101,582	\$1,625,308	329.48%	278.05%
42	April	2014	\$167,430	\$311,892	\$84,027	\$479,323	\$563,349	\$101,886	\$1,630,182	340.10%	289.37%
43	May	2014	\$159,183	\$306,065	\$76,770	\$465,218	\$541,987	\$102,192	\$1,635,072	351.46%	301.68%
44	June	2014	\$150,859	\$300,122	\$69,466	\$450,981	\$520,447	\$102,499	\$1,639,978	363.65%	315.11%
45	July	2014	\$142,519	\$294,092	\$62,114	\$436,611	\$498,725	\$102,806	\$1,644,898	376.74%	329.82%
46	August	2014	\$134,143	\$287,963	\$54,715	\$422,106	\$478,821	\$103,115	\$1,649,832	390.89%	346.01%
47	September	2014	\$125,730	\$280,898	\$47,268	\$408,628	\$453,868	\$103,424	\$1,654,782	406.95%	364.57%
48	October	2014	\$117,280	\$273,718	\$39,772	\$390,898	\$430,770	\$103,734	\$1,659,746	424.49%	385.30%
49	November	2014	\$108,793	\$266,420	\$32,227	\$375,213	\$407,441	\$104,045	\$1,664,725	443.87%	408.56%
50	December	2014	\$100,289	\$259,003	\$24,834	\$358,272	\$383,906	\$104,357	\$1,669,719	464.75%	434.93%
51	January	2015	\$91,708	\$250,636	\$16,991	\$342,343	\$359,335	\$104,671	\$1,674,729	489.20%	466.06%
52	February	2015	\$83,109	\$242,132	\$9,299	\$325,241	\$334,539	\$104,985	\$1,679,753	515.46%	502.11%
53	March	2015	\$74,472	\$233,489	\$1,556	\$307,961	\$309,517	\$105,300	\$1,684,792	547.08%	544.33%
54	April	2015	\$66,798	\$224,704	\$0	\$280,502	\$280,502	\$105,615	\$1,689,846	581.70%	581.70%
55	May	2015	\$57,086	\$215,778	\$0	\$272,862	\$272,862	\$105,932	\$1,694,916	621.16%	621.16%
56	June	2015	\$48,338	\$206,702	\$0	\$255,038	\$255,038	\$106,250	\$1,700,001	668.57%	668.57%
57	July	2015	\$39,547	\$197,480	\$0	\$237,027	\$237,027	\$106,569	\$1,705,101	719.37%	719.37%
58	August	2015	\$30,720	\$186,654	\$0	\$217,375	\$217,375	\$106,889	\$1,710,216	786.76%	786.76%
59	September	2015	\$21,855	\$175,652	\$0	\$197,507	\$197,507	\$107,209	\$1,715,347	868.50%	868.50%
60	October	2015	\$12,950	\$164,470	\$0	\$177,420	\$177,420	\$107,531	\$1,720,493	969.73%	969.73%
61	November	2015	\$4,007	\$0	\$0	\$4,007	\$4,007	\$107,853	\$1,726,654	43066.77%	43066.77%

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EXHIBIT "C"

MAXIMUM OFFERING AMORTIZATION

Maximum Offering

Security Alarm Credit, LLC
 Amortization Schedule

Month	Payment Date	Begin Balance	11.00% Interest	Principal Payments	Total Debt Serv	Ending Balance
1	November 2010	\$543,000	\$4,978	\$3,270	\$8,247	\$539,731
2	December 2010	\$539,731	\$4,948	\$3,299	\$8,247	\$536,431
3	January 2011	\$536,431	\$4,917	\$3,330	\$8,247	\$533,101
4	February 2011	\$533,101	\$4,887	\$3,360	\$8,247	\$529,741
5	March 2011	\$529,741	\$4,856	\$3,391	\$8,247	\$526,350
6	April 2011	\$526,350	\$4,825	\$3,422	\$8,247	\$522,928
7	May 2011	\$522,928	\$4,794	\$3,453	\$8,247	\$519,474
8	June 2011	\$519,474	\$4,762	\$3,486	\$8,247	\$515,989
9	July 2011	\$515,989	\$4,730	\$3,517	\$8,247	\$512,472
10	August 2011	\$512,472	\$4,698	\$3,549	\$8,247	\$508,923
11	September 2011	\$508,923	\$4,665	\$3,582	\$8,247	\$505,341
12	October 2011	\$505,341	\$4,632	\$3,615	\$8,247	\$501,726
13	November 2011	\$501,726	\$4,599	\$3,648	\$8,247	\$498,076
14	December 2011	\$498,076	\$4,566	\$3,681	\$8,247	\$494,397
15	January 2012	\$494,397	\$4,532	\$3,715	\$8,247	\$490,682
16	February 2012	\$490,682	\$4,498	\$3,749	\$8,247	\$486,933
17	March 2012	\$486,933	\$4,464	\$3,783	\$8,247	\$483,150
18	April 2012	\$483,150	\$4,429	\$3,818	\$8,247	\$479,331
19	May 2012	\$479,331	\$4,394	\$3,853	\$8,247	\$475,478
20	June 2012	\$475,478	\$4,359	\$3,888	\$8,247	\$471,590
21	July 2012	\$471,590	\$4,323	\$3,924	\$8,247	\$467,666
22	August 2012	\$467,666	\$4,287	\$3,960	\$8,247	\$463,706
23	September 2012	\$463,706	\$4,251	\$3,996	\$8,247	\$459,709
24	October 2012	\$459,709	\$4,214	\$4,033	\$8,247	\$455,676
25	November 2012	\$455,676	\$4,177	\$4,070	\$8,247	\$451,606
26	December 2012	\$451,606	\$4,140	\$4,107	\$8,247	\$447,499
27	January 2013	\$447,499	\$4,102	\$4,145	\$8,247	\$443,354
28	February 2013	\$443,354	\$4,064	\$4,183	\$8,247	\$439,171
29	March 2013	\$439,171	\$4,026	\$4,221	\$8,247	\$434,950
30	April 2013	\$434,950	\$3,987	\$4,257	\$8,247	\$430,683
31	May 2013	\$430,683	\$3,948	\$4,291	\$10,937	\$426,392
32	June 2013	\$426,392	\$3,908	\$4,325	\$10,937	\$422,067
33	July 2013	\$422,067	\$3,867	\$4,359	\$10,937	\$417,708
34	August 2013	\$417,708	\$3,825	\$4,392	\$10,937	\$413,315
35	September 2013	\$413,315	\$3,783	\$4,425	\$10,937	\$408,888
36	October 2013	\$408,888	\$3,740	\$4,457	\$10,937	\$404,427
37	November 2013	\$404,427	\$3,697	\$4,489	\$10,937	\$400,030
38	December 2013	\$399,999	\$3,653	\$4,520	\$10,937	\$395,597
39	January 2014	\$395,597	\$3,608	\$4,551	\$10,937	\$391,128
40	February 2014	\$391,128	\$3,563	\$4,581	\$10,937	\$386,623
41	March 2014	\$386,623	\$3,517	\$4,611	\$10,937	\$382,082
42	April 2014	\$382,082	\$3,471	\$4,641	\$10,937	\$377,505
43	May 2014	\$377,505	\$3,424	\$4,670	\$10,937	\$372,892
44	June 2014	\$372,892	\$3,377	\$4,700	\$10,937	\$368,243
45	July 2014	\$368,243	\$3,329	\$4,729	\$10,937	\$363,558
46	August 2014	\$363,558	\$3,281	\$4,758	\$10,937	\$358,837
47	September 2014	\$358,837	\$3,232	\$4,787	\$10,937	\$354,080
48	October 2014	\$354,080	\$3,183	\$4,816	\$10,937	\$349,287
49	November 2014	\$349,287	\$3,133	\$4,845	\$10,937	\$344,458
50	December 2014	\$344,458	\$3,083	\$4,874	\$10,937	\$339,593
51	January 2015	\$339,593	\$3,032	\$4,903	\$10,937	\$334,692
52	February 2015	\$334,692	\$2,981	\$4,932	\$10,937	\$329,755
53	March 2015	\$329,755	\$2,929	\$4,961	\$10,937	\$324,782
54	April 2015	\$324,782	\$2,877	\$4,990	\$10,937	\$319,773
55	May 2015	\$319,773	\$2,824	\$5,019	\$10,937	\$314,728
56	June 2015	\$314,728	\$2,771	\$5,048	\$10,937	\$309,647
57	July 2015	\$309,647	\$2,717	\$5,077	\$10,937	\$304,530
58	August 2015	\$304,530	\$2,663	\$5,106	\$10,937	\$299,377
59	September 2015	\$299,377	\$2,608	\$5,135	\$10,937	\$294,188
60	October 2015	\$294,188	\$2,553	\$5,164	\$10,937	\$288,953
61	November 2015	\$288,953	\$2,497	\$5,193	\$10,937	\$283,672
		\$164,876	\$1,511	\$164,876	\$166,387	\$0

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EXHIBIT "D"

MINIMUM OFFERING AMORTIZATION

Exhibit D

Minimum Offering

Security Alarm Credit, LLC
Amortization Schedule

Month	Payment Date	Begin Balance	11.00% Interest	Principal Payments	Total Debt Serv	Ending Balance
1	November 2010	\$125,000	\$1,146	\$795	\$1,940	\$124,205
2	December 2010	\$124,205	\$1,139	\$802	\$1,940	\$123,404
3	January 2011	\$123,404	\$1,131	\$809	\$1,940	\$122,594
4	February 2011	\$122,594	\$1,124	\$817	\$1,940	\$121,778
5	March 2011	\$121,778	\$1,116	\$824	\$1,940	\$120,953
6	April 2011	\$120,953	\$1,109	\$832	\$1,940	\$120,122
7	May 2011	\$120,122	\$1,101	\$839	\$1,940	\$119,282
8	June 2011	\$119,282	\$1,093	\$847	\$1,940	\$118,435
9	July 2011	\$118,435	\$1,086	\$855	\$1,940	\$117,581
10	August 2011	\$117,581	\$1,078	\$863	\$1,940	\$116,718
11	September 2011	\$116,718	\$1,070	\$871	\$1,940	\$115,848
12	October 2011	\$115,848	\$1,062	\$879	\$1,940	\$114,969
13	November 2011	\$114,969	\$1,054	\$887	\$1,940	\$114,082
14	December 2011	\$114,082	\$1,046	\$895	\$1,940	\$113,188
15	January 2012	\$113,188	\$1,038	\$903	\$1,940	\$112,285
16	February 2012	\$112,285	\$1,029	\$911	\$1,940	\$111,374
17	March 2012	\$111,374	\$1,021	\$920	\$1,940	\$110,454
18	April 2012	\$110,454	\$1,012	\$928	\$1,940	\$109,526
19	May 2012	\$109,526	\$1,004	\$936	\$1,940	\$108,590
20	June 2012	\$108,590	\$996	\$945	\$1,940	\$107,645
21	July 2012	\$107,645	\$987	\$954	\$1,940	\$106,691
22	August 2012	\$106,691	\$978	\$962	\$1,940	\$105,729
23	September 2012	\$105,729	\$969	\$971	\$1,940	\$104,767
24	October 2012	\$104,767	\$960	\$980	\$1,940	\$103,777
25	November 2012	\$103,777	\$951	\$989	\$1,940	\$102,768
26	December 2012	\$102,768	\$942	\$998	\$1,940	\$101,790
27	January 2013	\$101,790	\$933	\$1,007	\$1,940	\$100,783
28	February 2013	\$100,783	\$924	\$1,017	\$1,940	\$99,766
29	March 2013	\$99,766	\$915	\$1,026	\$1,940	\$98,740
30	April 2013	\$98,740	\$905	\$1,034	\$1,940	\$97,696
31	May 2013	\$97,696	\$895	\$1,043	\$2,573	\$96,633
32	June 2013	\$96,633	\$885	\$1,052	\$2,573	\$95,551
33	July 2013	\$95,551	\$874	\$1,061	\$2,573	\$94,450
34	August 2013	\$94,450	\$863	\$1,070	\$2,573	\$93,330
35	September 2013	\$93,330	\$852	\$1,079	\$2,573	\$92,191
36	October 2013	\$92,191	\$841	\$1,088	\$2,573	\$91,033
37	November 2013	\$91,033	\$830	\$1,097	\$2,573	\$89,856
38	December 2013	\$89,856	\$819	\$1,106	\$2,573	\$88,661
39	January 2014	\$88,661	\$808	\$1,115	\$2,573	\$87,447
40	February 2014	\$87,447	\$797	\$1,124	\$2,573	\$86,214
41	March 2014	\$86,214	\$786	\$1,133	\$2,573	\$84,962
42	April 2014	\$84,962	\$775	\$1,142	\$2,573	\$83,691
43	May 2014	\$83,691	\$764	\$1,151	\$2,573	\$82,401
44	June 2014	\$82,401	\$753	\$1,160	\$2,573	\$81,092
45	July 2014	\$81,092	\$742	\$1,169	\$2,573	\$79,764
46	August 2014	\$79,764	\$731	\$1,178	\$2,573	\$78,417
47	September 2014	\$78,417	\$720	\$1,187	\$2,770	\$77,052
48	October 2014	\$77,052	\$709	\$1,196	\$2,770	\$75,669
49	November 2014	\$75,669	\$698	\$1,205	\$2,770	\$74,267
50	December 2014	\$74,267	\$687	\$1,214	\$2,770	\$72,846
51	January 2015	\$72,846	\$676	\$1,223	\$2,965	\$71,406
52	February 2015	\$71,406	\$665	\$1,232	\$2,965	\$70,000
53	March 2015	\$70,000	\$654	\$1,241	\$2,965	\$68,600
54	April 2015	\$68,600	\$643	\$1,250	\$2,965	\$67,200
55	May 2015	\$67,200	\$632	\$1,259	\$2,965	\$65,800
56	June 2015	\$65,800	\$621	\$1,268	\$2,965	\$64,400
57	July 2015	\$64,400	\$610	\$1,277	\$2,965	\$63,000
58	August 2015	\$63,000	\$599	\$1,286	\$3,307	\$61,600
59	September 2015	\$61,600	\$588	\$1,295	\$3,307	\$60,200
60	October 2015	\$60,200	\$577	\$1,304	\$3,307	\$58,800
61	November 2015	\$58,800	\$566	\$1,313	\$3,307	\$57,400

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EXHIBIT "E"

ILLUSTRATIVE INVESTMENT AMORTIZATION

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Exhibit E

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Illustrative Investment of \$100,000.

Security Alarm Credit, LLC
Amortization Schedule

Month	Payment Date	Begin Balance	11.00% Interest	Principal Payments	Total Debt Serv	Ending Balance
1	November 2010	\$100,000	\$917	\$636	\$1,552	\$99,364
2	December 2010	\$99,364	\$911	\$642	\$1,552	\$98,723
3	January 2011	\$98,723	\$905	\$647	\$1,552	\$98,075
4	February 2011	\$98,075	\$899	\$653	\$1,552	\$97,422
5	March 2011	\$97,422	\$893	\$659	\$1,552	\$96,763
6	April 2011	\$96,763	\$887	\$665	\$1,552	\$96,097
7	May 2011	\$96,097	\$881	\$671	\$1,552	\$95,426
8	June 2011	\$95,426	\$875	\$678	\$1,552	\$94,748
9	July 2011	\$94,748	\$869	\$684	\$1,552	\$94,065
10	August 2011	\$94,065	\$862	\$690	\$1,552	\$93,374
11	September 2011	\$93,374	\$856	\$696	\$1,552	\$92,678
12	October 2011	\$92,678	\$850	\$703	\$1,552	\$91,975
13	November 2011	\$91,975	\$843	\$709	\$1,552	\$91,268
14	December 2011	\$91,266	\$837	\$716	\$1,552	\$90,550
15	January 2012	\$90,550	\$830	\$722	\$1,552	\$89,828
16	February 2012	\$89,828	\$823	\$729	\$1,552	\$89,099
17	March 2012	\$89,099	\$817	\$736	\$1,552	\$88,363
18	April 2012	\$88,363	\$810	\$742	\$1,552	\$87,621
19	May 2012	\$87,621	\$803	\$749	\$1,552	\$86,872
20	June 2012	\$86,872	\$796	\$756	\$1,552	\$86,116
21	July 2012	\$86,116	\$789	\$763	\$1,552	\$85,353
22	August 2012	\$85,353	\$782	\$770	\$1,552	\$84,583
23	September 2012	\$84,583	\$775	\$777	\$1,552	\$83,806
24	October 2012	\$83,806	\$768	\$784	\$1,552	\$83,022
25	November 2012	\$83,022	\$761	\$791	\$1,552	\$82,231
26	December 2012	\$82,231	\$754	\$799	\$1,552	\$81,432
27	January 2013	\$81,432	\$748	\$806	\$1,552	\$80,626
28	February 2013	\$80,626	\$739	\$813	\$1,552	\$79,813
29	March 2013	\$79,813	\$732	\$821	\$1,552	\$78,992
30	April 2013	\$78,992	\$724	\$867	\$1,591	\$78,125
31	May 2013	\$78,125	\$716	\$1,343	\$2,059	\$76,782
32	June 2013	\$76,782	\$704	\$1,355	\$2,059	\$75,427
33	July 2013	\$75,427	\$691	\$1,367	\$2,059	\$74,060
34	August 2013	\$74,060	\$679	\$1,380	\$2,059	\$72,680
35	September 2013	\$72,680	\$666	\$1,392	\$2,059	\$71,288
36	October 2013	\$71,288	\$653	\$1,405	\$2,059	\$69,883
37	November 2013	\$69,883	\$641	\$1,418	\$2,059	\$68,465
38	December 2013	\$68,465	\$628	\$1,431	\$2,059	\$67,033
39	January 2014	\$67,033	\$614	\$1,444	\$2,059	\$65,589
40	February 2014	\$65,589	\$601	\$1,457	\$2,059	\$64,132
41	March 2014	\$64,132	\$588	\$1,471	\$2,059	\$62,661
42	April 2014	\$62,661	\$574	\$1,484	\$2,059	\$61,177
43	May 2014	\$61,177	\$561	\$1,498	\$2,059	\$59,679
44	June 2014	\$59,679	\$547	\$1,512	\$2,059	\$58,167
45	July 2014	\$58,167	\$533	\$1,525	\$2,059	\$56,642
46	August 2014	\$56,642	\$519	\$1,539	\$2,059	\$55,102
47	September 2014	\$55,102	\$505	\$1,711	\$2,216	\$53,391
48	October 2014	\$53,391	\$489	\$1,727	\$2,216	\$51,665
49	November 2014	\$51,665	\$474	\$1,742	\$2,216	\$49,922
50	December 2014	\$49,922	\$458	\$1,758	\$2,216	\$48,164
51	January 2015	\$48,164	\$442	\$1,931	\$2,372	\$46,233
52	February 2015	\$46,233	\$424	\$1,948	\$2,372	\$44,285
53	March 2015	\$44,285	\$406	\$1,966	\$2,372	\$42,319
54	April 2015	\$42,319	\$388	\$1,984	\$2,372	\$40,334
55	May 2015	\$40,334	\$370	\$2,002	\$2,372	\$38,332
56	June 2015	\$38,332	\$351	\$2,021	\$2,372	\$36,311
57	July 2015	\$36,311	\$333	\$2,039	\$2,372	\$34,272
58	August 2015	\$34,272	\$314	\$2,331	\$2,645	\$31,941
59	September 2015	\$31,941	\$293	\$2,353	\$2,645	\$29,586
60	October 2015	\$29,586	\$271	\$2,374	\$2,645	\$27,214
61	November 2015	\$27,214	\$249	\$27,214	\$27,463	\$0

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Illustrative Investment of \$50,000

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Security Alarm Credit, LLC
Amortization Schedule

Month	Payment Date	Begin Balance	11.00% Interest	Principal Payments	Total Debt Serv	Ending Balance
1	November 2010	\$50,000	\$458	\$318	\$776	\$49,682
2	December 2010	\$49,682	\$455	\$321	\$776	\$49,361
3	January 2011	\$49,361	\$452	\$324	\$776	\$49,038
4	February 2011	\$49,038	\$450	\$327	\$776	\$48,711
6	March 2011	\$48,711	\$447	\$330	\$776	\$48,381
6	April 2011	\$48,381	\$443	\$333	\$776	\$48,049
7	May 2011	\$48,049	\$440	\$336	\$776	\$47,713
8	June 2011	\$47,713	\$437	\$339	\$776	\$47,374
9	July 2011	\$47,374	\$434	\$342	\$776	\$47,032
10	August 2011	\$47,032	\$431	\$345	\$776	\$46,687
11	September 2011	\$46,687	\$428	\$348	\$776	\$46,339
12	October 2011	\$46,339	\$425	\$351	\$776	\$45,988
13	November 2011	\$45,988	\$422	\$355	\$776	\$45,633
14	December 2011	\$45,633	\$418	\$358	\$776	\$45,275
15	January 2012	\$45,275	\$415	\$361	\$776	\$44,914
16	February 2012	\$44,914	\$412	\$364	\$776	\$44,550
17	March 2012	\$44,550	\$408	\$368	\$776	\$44,182
18	April 2012	\$44,182	\$405	\$371	\$776	\$43,811
19	May 2012	\$43,811	\$402	\$375	\$776	\$43,436
20	June 2012	\$43,436	\$398	\$378	\$776	\$43,058
21	July 2012	\$43,058	\$395	\$381	\$776	\$42,676
22	August 2012	\$42,676	\$391	\$385	\$776	\$42,291
23	September 2012	\$42,291	\$388	\$389	\$776	\$41,903
24	October 2012	\$41,903	\$384	\$392	\$776	\$41,511
25	November 2012	\$41,511	\$381	\$396	\$776	\$41,115
26	December 2012	\$41,115	\$377	\$399	\$776	\$40,716
27	January 2013	\$40,716	\$373	\$403	\$776	\$40,313
28	February 2013	\$40,313	\$370	\$407	\$776	\$39,906
29	March 2013	\$39,906	\$366	\$410	\$776	\$39,496
30	April 2013	\$39,496	\$362	\$434	\$796	\$39,062
31	May 2013	\$39,062	\$358	\$671	\$1,029	\$38,391
32	June 2013	\$38,391	\$352	\$677	\$1,029	\$37,714
33	July 2013	\$37,714	\$346	\$684	\$1,029	\$37,030
34	August 2013	\$37,030	\$339	\$690	\$1,029	\$36,340
35	September 2013	\$36,340	\$333	\$696	\$1,029	\$35,644
36	October 2013	\$35,644	\$327	\$703	\$1,029	\$34,941
37	November 2013	\$34,941	\$320	\$709	\$1,029	\$34,232
38	December 2013	\$34,232	\$314	\$716	\$1,029	\$33,517
39	January 2014	\$33,517	\$307	\$722	\$1,029	\$32,795
40	February 2014	\$32,795	\$301	\$729	\$1,029	\$32,066
41	March 2014	\$32,066	\$294	\$735	\$1,029	\$31,330
42	April 2014	\$31,330	\$287	\$742	\$1,029	\$30,588
43	May 2014	\$30,588	\$280	\$749	\$1,029	\$29,839
44	June 2014	\$29,839	\$274	\$756	\$1,029	\$29,084
45	July 2014	\$29,084	\$267	\$763	\$1,029	\$28,321
46	August 2014	\$28,321	\$260	\$770	\$1,029	\$27,551
47	September 2014	\$27,551	\$253	\$855	\$1,108	\$26,696
48	October 2014	\$26,696	\$245	\$863	\$1,108	\$25,832
49	November 2014	\$25,832	\$237	\$871	\$1,108	\$24,961
50	December 2014	\$24,961	\$229	\$879	\$1,108	\$24,082
51	January 2015	\$24,082	\$221	\$965	\$1,186	\$23,117
52	February 2015	\$23,117	\$212	\$974	\$1,186	\$22,142
53	March 2015	\$22,142	\$203	\$983	\$1,186	\$21,159
54	April 2015	\$21,159	\$194	\$992	\$1,186	\$20,167
55	May 2015	\$20,167	\$185	\$1,001	\$1,186	\$19,166
56	June 2015	\$19,166	\$176	\$1,010	\$1,186	\$18,156
57	July 2015	\$18,156	\$166	\$1,020	\$1,186	\$17,136
58	August 2015	\$17,136	\$157	\$1,166	\$1,323	\$15,970
59	September 2015	\$15,970	\$146	\$1,176	\$1,323	\$14,794
60	October 2015	\$14,794	\$136	\$1,187	\$1,323	\$13,607
61	November 2015	\$13,607	\$125	\$13,607	\$13,732	\$0

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EXHIBIT "F"

SUBSCRIPTION AGREEMENT

SUBSCRIPTION AGREEMENT

THE NOTES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE OFFERED FOR RESALE IN THE ABSENCE OF AN OPINION OF COUNSEL, SATISFACTORY TO THE ISSUER, THAT REGISTRATION IS NOT REQUIRED. IN ADDITION, THIS AGREEMENT AND THE NOTES CONTAIN SUBSTANTIAL RESTRICTION ON TRANSFERABILITY.

SECURITY ALARM CREDIT, LLC

TO: SECURITY ALARM CREDIT, LLC. ("Issuer"):

1. Subscriptions. I hereby subscribe for and agree to purchase the dollar amount of the Issuer's Notes (the "Notes") as is set forth opposite my name acknowledging the minimum purchase to be Fifty Thousand Dollars (\$50,000) and increments of Twenty-Five Thousand Dollars (\$25,000).
2. Payment. I hereby agree to pay the Issuer the purchase price for the Notes by delivery herewith of a check in the face amount of the Notes subscribed for payable to the order of "TD Bank, Escrow Agent for Security Alarm Credit, LLC".
3. Restriction on Transfer of the Notes. I understand that any resale or transfer of the Notes by me is subject to substantial restriction, in that:
 - (i) The Notes have not been registered under the Securities Act of 1933 as amended (the "Act") or applicable state securities laws. The Notes cannot be sold or transferred by subscribers in the absence of an opinion of counsel that registration is not necessary. The Issuer is not required to register the Notes or to make any exemption from registration available.
 - (ii) My right to sell or transfer any of the Notes will be restricted as follows: (1) restrictions against sale or transfer in violation of applicable securities law; (2) the requirement that I furnish an opinion of counsel that any proposed sale or transfer by me will not violate such laws; (3) the Issuer must consent to the transfer of my Notes; and (4) other restrictions and requirements, including such restrictions on transfer arising under state securities laws.
 - (iii) There will be no public market for the Notes, and I may not be able to sell my Notes. Accordingly, I must bear the economic risk of my investment for an indefinite period of time.
4. Investment Representation. I represent and warrant that I am acquiring my Notes for my own account and not on behalf of other persons, and that I am acquiring my Notes for investment purposes only and not with a view to the resale or distribution thereof; I understand that the Notes will be offered and sold in a manner which would qualify the transaction for an exemption as a private placement under Rule 506 of the Act. The Notes may not be transferred or assigned except as provided herein.
5. Subscription Irrevocable by Noteholder. This Subscription Agreement is not, and shall not be, revocable by me, except as provided by applicable state securities law requirements, and I intend to be legally bound by this Subscription Agreement.
6. Subscription Subject to Acceptance or Rejection by the Issuer. The Issuer, in its sole discretion, shall have the right to accept or reject this subscription at any time on or before the Closing.
7. Offering of Notes Subject to Withdrawal. If the Issuer does not receive subscriptions for Notes in the minimum amount of \$250,000.00 before the Termination Date, the Offering of Notes will be withdrawn and I understand that all my subscription documents and payments will be returned to me, with interest, less the cost of escrow, and without further obligation of the Issuer.
8. Additional Representations and Warranties. I represent and warrant that:
 - (a) (i) I have received and have carefully read and understood the Memorandum dated as of September 22, 2010 (the "Memorandum") given to me by the Issuer in connection with the offering

of Notes.

(ii) I have been furnished with all additional documents and information which I have requested.

(iii) I have had the opportunity to ask questions of and receive answers from the Issuer concerning the Issuer and the offering of Notes and to obtain any additional information necessary to verify the accuracy of the information furnished.

(iv) I have relied only on the foregoing information and documents in determining to make this subscription, and the decision to acquire Notes of the Issuer has been made based upon my own evaluation of the merits and risks of the Issuer.

(v) I will not offer to sell, or resell, the Notes except in accordance with Section 3(ii) hereof.

(vi) I will require any purchaser to provide the Issuer with his address.

(b) I recognize that investment in the Notes involves substantial risk factors, including those set forth under "Risks" in the Memorandum.

(c) I have adequate means of providing for my current needs and possible personal contingencies, and I have no need for liquidity in my investment in the Notes.

(d) My overall commitment to investments which are not readily marketable is not disproportionate to my net worth and my purchase of Notes will not cause such overall commitment to become excessive.

9. Indemnification and Hold Harmless. If I breach any agreement, representation or warranty I have made in this Subscription Agreement or any other document I have executed in connection with this offering, I agree to indemnify and hold harmless the Issuer, the Trustee, or any officer or director of the Trustee and any person controlling either or any of them against any claims, actions, liability, loss, damage or expense (including attorney's fees and other costs of investigation and litigating claims) caused, directly or indirectly, by my breach.

10. Subscriber Information. This Subscription and my Notes shall be recorded on the Issuer's books.

IN WITNESS WHEREOF, I have executed this Subscription Agreement this ____ day of _____, _____.

Print exact name in which title is to be held

Name: _____
Printed Name Tax ID # Printed Name Tax ID#

Signature: X _____ Signature X _____

Address: _____
Amount Purchased: \$ _____

ACCEPTED BY SECURITY ALARM CREDIT, LLC this ____ of _____, 2010.

Security Alarm Credit, LLC

By: _____
Carolyn Gracey

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10/19/2010
EXHIBIT "G"

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PURCHASER QUESTIONNAIRE

CONFIDENTIAL

PURCHASER QUESTIONNAIRE FOR INDIVIDUALS

SECURITY ALARM CREDIT, LLC

The offering is being made pursuant to Regulation D under the Securities Act of 1933, as amended, (the "Act"). One of the requirements of the Regulation is that the persons involved in the offering and sale of the securities must have reasonable grounds to believe either:

(i) that the undersigned has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment; or

(ii) the undersigned is acquiring the Notes for investment purposes only and not with a view towards resale.

The undersigned is aware that this offering will involve Notes for which no resale market exists, thereby requiring this investment to be maintained for the stated term of each Note.

Your answers will, at all times, be kept strictly confidential; however, each party who signs the questionnaire hereby agrees that the Company may present this questionnaire to such parties as may seem appropriate in order to insure that the offer and sale of the Notes to you will not result in violation of any exemption from registration under the Act which may be relied upon by the Company in connection with the sale of the Notes.

Please complete this questionnaire as thoroughly as possible and sign, date and return to the Company c/o Security Alarm Credit, LLC., 40 Start Avenue, Rensselaer, New York 07436

Please print or type:

Name: _____

Home Address: _____

Date of Birth: _____

Social Security No.: _____

Occupation: _____

Business Address: _____

Business Telephone: _____

Home Telephone: _____

Communications should be sent to:

Home Address _____ or Business Address _____

1. What is your approximate net worth?

- _____ \$50,000 - \$100,000
- _____ \$100,000 - \$250,000
- _____ \$250,000 - \$500,000
- _____ \$500,000 - \$1,000,000
- _____ Greater than \$1,000,000

2. Did your individual income exceed \$200,000.00 in 2009 and 2008, or did your joint income with your spouse exceed \$300,000.00 in each of those years?

Yes _____ No _____

3. If the answer to #2 above is "yes", do you expect to reach the same income level in 2010?

Yes _____ No _____

4. What was your approximate gross income for calendar year 2008?

- _____ \$25,000 - \$100,000
- _____ \$100,000 - \$200,000
- _____ \$200,000 - \$300,000
- _____ \$300,000 - \$500,000
- _____ Greater than \$500,000

5. What will your approximate gross income be for calendar year 2009?

- _____ \$25,000 - \$100,000
- _____ \$100,000 - \$200,000
- _____ \$200,000 - \$300,000
- _____ \$300,000 - \$500,000
- _____ Greater than \$500,000

To the best of my information and belief, the above information is accurate and complete in all respects. I agree to notify the Company promptly of any changes which occur prior to sale of the Notes.

Purchaser

Date:

Name (printed)

Signature

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10/19/2010

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CONFIDENTIAL

PURCHASER QUESTIONNAIRE FOR CORPORATIONS AND PARTNERSHIPS

SECURITY ALARM CREDIT, LLC

The offering is being made pursuant to Regulation D under the Securities Act of 1933, as amended, (the "Act"). One of the requirements of the Regulation is that the persons involved in the offering and sale of the securities must have reasonable grounds to believe either:

(i) that the Offeree has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment; or

(ii) that the Offeree and its Offeree Representative(s), together, have such knowledge and experience in financial and business matters, that they are capable of evaluating the merits and risks of the prospective investment and that the Offeree is able to bear the economic risk of the invest.

The purpose of this Questionnaire is to assist SECURITY ALARM CREDIT, LLC (the "Company") in complying with the above requirement.

Please contact Security Alarm Credit, LLC at 40 Start Avenue, Rensselaer, New York 07436 if you have any questions in answering this questionnaire.

If the answer to any questions "None" or "Not Applicable", please so state.

Your answers will, at all times, be kept strictly confidential; however, each party who signs the Questionnaire hereby agrees that the Company may present this Questionnaire to such parties as may seem appropriate in order to insure that the offer and sale of the Notes to you will not result in violation of any exemption from registration under the Act which may be relied upon by the Company in connection with the sale of the Notes.

Please complete this Questionnaire as thoroughly as possible and sign, date and return one (1) copy to the Company at Security Alarm Credit, LLC at 40 Start Avenue, Rensselaer, New York 07436

Please print or type:

Name of Organization: _____

Business Address: _____

Business Telephone: _____

Federal ID Number: _____

1. Was the organization formed for the specific purpose of acquiring the Company's Notes?

Yes _____ No _____

2. Does the organization possess total assets in excess of \$5,000,000?

Yes _____ No _____

3. Does each equity owner of the organization:

A. Have a net worth, exclusive of home, furnishings, and automobiles, of at least \$1,000,000?

Yes _____ No _____

B. Had an individual net income in excess of \$200,000 in 2008 and 2009, or joint income with that person's spouse in excess of \$300,000 in each of those years, and have a reasonable expectation of reaching the same income level in 2010?

Yes _____ No _____

4. I am aware that the Notes proposed to be offered will not be readily marketable or transferable.

Yes _____ No _____

5. The organization can afford the complete loss of its investments in the Notes and has no need for liquidity in this investment.

Yes _____ No _____

6. Stated below are the organization's previous investments in similar securities and other private placements during the past five years:

7. I understand that, unless the organization satisfies certain criteria, in order to qualify as a purchaser of Notes, I must have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Company or I must engage an attorney, accountant or other financial advisor for the purpose of this particular transaction.

I hereby represent, by initialing on the Representation A or Representation B line below, that:

A. I have such knowledge and experience in financial and business matters that I am capable of evaluating the merits and risks of an investment in the Notes and will not require a Purchase Representative.

Representation A. _____

B. I have relied upon the advice of the following Purchaser Representative(s) in evaluating the merits and risks of an investment in the Notes:

Representation B. _____

Name

Name

Relationship

Relationship

To the best of my information and belief, the above information is accurate and complete in all respects. I agree to notify the Company promptly of any changes which occur prior to sale of the Company's Notes.

Purchaser:

Date:

Print Name of Organization

By: _____

Title: _____

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10/19/2010

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PURCHASER REPRESENTATIVE QUESTIONNAIRE

SECURITY ALARM CREDIT, LLC

The information contained herein is being furnished to SECURITY ALARM CREDIT, LLC (the "Company") in order to facilitate a determination as to whether the undersigned may act as a Purchaser Representative, as such term is used in Regulation D promulgated under the Securities Act of 1933, as amended, (the "Act"), in connection with the proposed offer and sale by the Company of its Contract Notes (hereinafter referred to as the "Notes"). The answers below are correct, and the Company is entitled to rely on them in making the foregoing determination.

REPRESENTATIONS

I represent, warrant and covenant to you that:

(a) the information contained herein is complete and accurate and may be relied upon by you in determining whether I may act as a Purchaser Representative pursuant to Regulation D in connection with offers and sales of the Notes;

(b) I will notify you immediately of any material change in any of such information occurring within ninety (90) days of the close of sale of the Notes to the Purchaser;

(c) (i) I have been designated, or will be designated, pursuant to the Purchaser Questionnaire of each Purchaser, as the Purchaser Representative or such Purchaser, in connection with evaluating the merits and risks of his prospective investment in the Notes;

(ii) I have disclosed or will disclose, to each Purchaser, in writing, prior to the designation referred to above, any material relationship between me or my affiliates and the Company, which now exists or is mutually understood to be contemplated, or which has existed at any time during the previous two (2) years, and any compensation received as a result of such relationship, including any compensation received in connection the offering of Notes herein; and

(iii) I will deliver to each of you a counterpart of the disclosure statement referred to in (ii) above, and such other documents or information as each of you may request relating to the performance by me of my duties as a Purchaser Representative.

(Attach additional sheets if required)

1. Name: _____

Age: _____

Social Security No.: _____

2. Names of offerees I am representing:

3. Firm name: _____

Empl. Iden. No.: _____

Position: _____

Nature of Duties: _____

Business Address: _____

Business telephone number: () _____

4. Prior occupations or positions during the past five years:

5. Description of prior experience in advising clients with respect to investments, including a description of the types of investments, the dollar amounts involved, and the number of years of experience which you have in financial, business and tax oriented matters:

General Investments (specify)

Private Placements (specify)

Other Investments (specify)

6. The Professional licenses or registrations (including bar admissions, accounting Notes, real estate brokerage licenses, broker-dealer or investments advisory registrations) held by me are as follows:

Registration	Year Received	Is License or Registration Still Effective?
_____	_____	_____
_____	_____	_____
_____	_____	_____

7. My educational background, including degrees obtained and date of attendance:

8. (a) Neither I nor any of my affiliates now have or have had any material relationship with the Company or any of its affiliates, are not affiliates or the Company, and no such relationship is contemplated in the future, except as follows:

(b) The amounts of compensation received or to be received as a result of the material relationship(s) described in Item 8(a)(including any compensation received or to be received in connection with this transaction) are as follows:

9. Neither I nor any of my affiliates own beneficially any interest in the Company except as follows:

10. I have received and read the Company's Private Placement Memorandum dated September 22, 2010 and Exhibits thereto and have reviewed it with the Offeree.

11. Other comments or disclosures:

Purchaser Representative Signature

Type Purchaser Representative Name

Firm Name

Street Address

City and State

() _____
Telephone

Acknowledgement of Investor(s)

I acknowledge receipt of the foregoing disclosures this ____ day of _____, 200__, and this represents my acknowledgment in writing to the Company that I have read the foregoing and desire that the above stated person serve as my Purchaser Representative with respect to the offering of the Company's Notes.

Investor's Signature

Investor's Signature

Investor's Signature

**\$543,000 MAXIMUM
\$125,000 MINIMUM**

**SECURITY ALARM
CREDIT, LLC**

**Subordinate
Senior Notes**

Due November 1, 2015

No dealer, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Memorandum and if given or made, such information or representations must not be relied upon as having been authorized. This Memorandum does not constitute an offer to sell or a solicitation of an offer to buy any securities to which it relates. This Memorandum does not constitute an offer to sell or a solicitation of an offer to buy such securities in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. Neither the delivery of this Memorandum nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to its date. However, in the event of any material change, this Memorandum will be amended, supplemented or updated accordingly.

**CONFIDENTIAL
PRIVATE PLACEMENT
MEMORANDUM**

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**ALARM CAPITAL SOLUTIONS
RENSSELAER, NEW YORK**

SEPTEMBER 22, 2010