

Upon receipt by the Agent of all amounts due and owing pursuant to the terms of this Agreement, all of the Agent's rights, title and interest in and to the Financed Contracts shall terminate.

In addition to the rights of the Agent upon the occurrence of an Event of Default set forth hereunder or otherwise available under applicable law, upon the occurrence of an Event of Default, the Agent, in its sole and absolute discretion, may take either of the following actions:

- (i) Notify Firstline that it wishes to purchase the Financed Contracts from Firstline for the purchase price set forth on Schedule "B" attached hereto (the "Purchase Option"). Upon exercise by the Agent of the Purchase Option, Firstline shall execute all transfer documents requested by the Agent to be executed and the Agent shall then pay to Firstline the purchase price. Upon any such purchase, the Agent shall be free to transfer the monitoring responsibilities for the Financed Contracts to the central station of its choice and Firstline shall not interfere with such transfer or make any attempt to solicit the Obligors on such Financed Contracts for any alarm-related business. In addition, after exercise of the Purchase Option, the Agent shall have the right to sell any or all of the Financed Contracts to any party, and at any price, it deems reasonable. All Obligor Payments, and the purchase price of any Financed Contracts, received by the Agent after exercise of the Purchase Option, shall be credited to and fully satisfy the outstanding Firstline Obligations. If, after exercise of the Purchase Option, the amounts so received shall be equal to the outstanding Firstline Obligations, the Agent shall reassign the Financed Contracts, without warranty of any kind, to Firstline.
- (ii) Notify Firstline that it wishes to sell the Financed Contracts to Firstline for an amount equal to the then-outstanding Firstline Obligations (the "Sale Option"). Upon exercise by the Agent of the Sale Option, the Agent shall execute all transfer documents requested by Firstline to be executed and Firstline shall then pay to the Agent the purchase price. Upon consummation of such sale, this Agreement shall be terminated.

SECTION 19. Independent Contractors. The parties hereto shall be deemed in all respects to be independent contractors and not employees, agents, legal representatives or partners of one another. The parties hereto shall not hold themselves out as having the power or right to pledge the credit of or assume or create any liabilities, obligations or responsibilities in the name of or binding on each other outside the scope of this Agreement.

SECTION 20. Insurance. During the term of this Agreement, the entity performing monitoring services to the Obligors, whether Firstline or the Central Station, shall maintain comprehensive general liability insurance which cannot be canceled with less than thirty (30) days notice to the Agent, including errors and omissions coverage on monitoring operations, in the minimum amount of \$1,000,000.00 covering bodily injury and property damage resulting from the performance of monitoring services under Contracts. Firstline shall deliver to the Agent a certificate of such insurance naming the Agent as an additional insured.

SECTION 21. Records and Reports. Firstline shall keep full and accurate records on all Financed Contracts and shall reflect accurately on its books and records the transaction contemplated hereby. Such records maintained by Firstline may be examined by a representative of the Agent during ordinary business hours upon at least 72 hours prior written notice in writing. Records on each Financed Contract shall be kept by Firstline and/or any Central Station for the period required by law.

SECTION 22. Re-Transfer to Firstline. On a monthly basis, subject to compliance by Firstline with all of its obligations under this Agreement, upon receipt by the Agent of all amounts due and owing during the Financed Period of any Financed Contract, whether repurchased by Firstline or paid in full by the Obligor, all of Agent's rights, title and interest in the Monitoring Revenue Stream of any Financed Contract shall terminate and the Financed Contract shall be physically returned, reassigned, transferred, delivered and/or endorsed by the Agent to Firstline, or its assigns, without recourse and without warranty except that it is free and clear of any and all security interests or other encumbrances created by, through or under Agent. Firstline shall provide the Agent with a list of all such Financed Contracts thirty (30) days prior to the expiration of the Financed Period of any Financed Contract. The Agent shall maintain adequate records to permit proper auditing of all amounts advanced or received in connection with this Agreement, and Firstline shall have the right to perform or cause to be performed such audit

upon reasonable notice to Agent.

SECTION 23. Sale or Transfer of Firstline. Prior to the payment of the Scheduled Amount, in the event of a sale or transfer of a controlling ownership interest in Firstline's business, Firstline shall, as a condition of such sale, transfer or disposition, obtain the consent of Agent (which consent shall not be unreasonably withheld, conditioned or delayed) and take all steps reasonably requested by the Agent to ensure that Firstline's obligations under the Financed Contracts and this Agreement shall not in any way be impaired or disrupted by such sale, transfer or disposition and that this Agreement shall continue as provided herein and shall be accepted and agreed to by the party to whom such sale, transfer or disposition has been made.

SECTION 24. Severability. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and unenforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Notwithstanding anything to the contrary herein contained, to the extent that the total of the Debt Service Amounts allocated to interest, received in any year exceeds the maximum interest rate permitted by law, then the amount so determined to be in excess shall be applied in reduction of the total Debt Service Amounts allocated to principal as set forth in Exhibit "A-1" attached hereto.

SECTION 25. Assignment.

(a) Firstline shall not assign any of its rights or responsibilities under this Agreement (other than its rights hereunder to contract with a Central Station) without the prior written consent of the Agent, which shall not be unreasonably withheld. The Agent may assign any or all of its rights and responsibilities under this Agreement without the consent of Firstline.

(b) Any assignment to the Agent of any Financed Contract shall be subject to the terms of this Agreement, notwithstanding anything to the contrary in the Agreement of Assignment or in any Financed Contract.

SECTION 26. Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 27. Notices. Every notice, report, remittance, consent or any instrument required or permitted to be given or made pursuant hereto shall be in writing and may be given by sending the same by facsimile, hand or courier delivery to the following addresses of the parties indicated herein and shall be effective when received:

If to Firstline: Trevor Keyes
Firstline Security, Inc.
370 West Center Street
Orem, Utah 84057

If to the Agent: Timothy M. McGinn
McGinn, Smith Funding, LLC
99 Pine Street — 5th Floor
Albany, New York 12207

The address at which notice may be given may be changed by giving notice of such change to the other party.

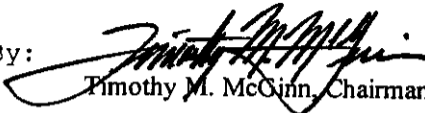
SECTION 28. Confidentiality. The parties hereto acknowledge the competitive value and confidential nature of all customer lists of Firstline and agree to use the customer lists or any of the names of the customers on a need to know basis.

SECTION 29. Intentionally Omitted.

SECTION 30. Personal Guaranties. Prior to the Funding Date, and as a certain precedent to the financing of the Contracts by the Agent, Firstline will cause Wright W. Thurston and Trevor Keyes (the "Guarantors") to execute and deliver guaranties to the Agent in the form of the continuing Guaranty set forth on Exhibit "E".

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized officers or representatives as indicated below, as of the day and year first written above.

MCGINN, SMITH FUNDINGS, LLC (Agent)

By: 
Timothy M. McGinn, Chairman

FIRSTLINE SECURITY, INC. (Firstline)

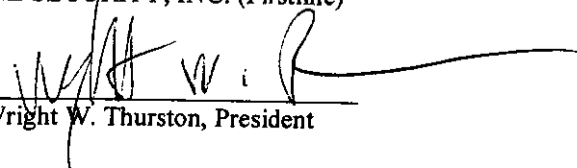
By: 
Wright W. Thurston, President

Exhibit "A"
Funding, Funding Price and Net Funding Price

- I. Funding Price: \$2,410,000
 - a. \$940,000 to be funded on October 5, 2007
 - b. \$800,000 to be funded on October 15, 2007
 - c. \$670,00 to be funded in December 1, 2007
- II. Net Funding Price: \$2,270,000
 - a. Funding Price of \$940,000 to be funded on October 5, 2007 less \$140,000 Additional Expenses to Agent
 - b. Funding Price of \$800,000 to be funded on October 15, 2007
 - c. Funding Price of \$670,000 to be funded on December 1, 2007
- III. Additional Expenses:
 - a. Firstline agrees to reimburse Agent for attorneys fees incurred by Agent with respect to the implementation of the financing arrangement to which this Agreement applies. Such attorney fees are in the amount of \$85,000.
 - b. Firstline agrees to pay Agent the sum of \$55,000 to offset ongoing due diligence expenses to be incurred by Agent in monitoring the Contracts and other obligations of Firstline during the term of this Agreement.
- IV. Delay in Funding: The amounts to be funded on October 15, 2007 and December 1, 2007 will not be funded until such time as Firstline has provided the Central Station with all documentation required by the Central Station to enable it to perform its monitoring functions.

Exhibit "A-1"

The Debt Service Schedule Amount and the Required monthly Qualified RMR shall be as follows:

| Month | Payment Date | Required Qualified Monthly RMR | Debt Service Schedule Amount |
|-------|----------------|-----------------------------------|------------------------------------|
| 1 | November 2007 | \$165,000 | \$0 |
| 2 | December 2007 | \$165,000 | \$0 |
| 3 | January 2008 | \$165,000 | \$31,500 |
| 4 | February 2008 | \$165,000 | \$31,500 |
| 5 | March 2008 | \$165,000 | \$31,500 |
| 6 | April 2008 | \$165,000 | \$31,500 |
| 7 | May 2008 | \$165,000 | \$31,500 |
| 8 | June 2008 | \$165,000 | \$31,500 |
| 9 | July 2008 | \$165,000 | \$31,500 |
| 10 | August 2008 | \$165,000 | \$31,500 |
| 11 | September 2008 | \$165,000 | \$31,500 |
| 12 | October 2008 | \$165,000 | \$31,500 |
| 13 | November 2008 | \$165,000 | \$31,500 |
| 14 | December 2008 | \$165,000 | \$31,500 |
| 15 | January 2009 | \$165,000 | \$31,500 |
| 16 | February 2009 | \$165,000 | \$31,500 |
| 17 | March 2009 | \$165,000 | \$31,500 |
| 18 | April 2009 | \$165,000 | \$31,500 |
| 19 | May 2009 | \$165,000 | \$31,500 |
| 20 | June 2009 | \$165,000 | \$31,500 |
| 21 | July 2009 | \$165,000 | \$31,500 |
| 22 | August 2009 | \$165,000 | \$31,500 |
| 23 | September 2009 | \$165,000 | \$31,500 |
| 24 | October 2009 | \$165,000 | \$31,500 |
| 25 | November 2009 | \$165,000 | \$53,625 |
| 26 | December 2009 | \$165,000 | \$53,625 |
| 27 | January 2010 | \$165,000 | \$53,625 |
| 28 | February 2010 | \$165,000 | \$53,625 |
| 29 | March 2010 | \$165,000 | \$82,500 |
| 30 | April 2010 | \$165,000 | \$82,500 |
| 31 | May 2010 | \$165,000 | \$82,500 |
| 32 | June 2010 | \$165,000 | \$82,500 |
| 33 | July 2010 | \$165,000 | \$82,500 |
| 34 | August 2010 | \$165,000 | \$82,500 |
| 35 | September 2010 | \$165,000 | \$82,500 |
| 36 | October 2010 | \$165,000 | \$82,500 |

| | | | | |
|----|-----------|------|-----------|-----------|
| 37 | November | 2010 | \$165,000 | \$82,500 |
| 38 | December | 2010 | \$165,000 | \$94,875 |
| 39 | January | 2011 | \$165,000 | \$94,875 |
| 40 | February | 2011 | \$165,000 | \$100,000 |
| 41 | March | 2011 | \$165,000 | \$100,000 |
| 42 | April | 2011 | \$165,000 | \$100,000 |
| 43 | May | 2011 | \$160,000 | \$100,000 |
| 44 | June | 2011 | \$155,000 | \$100,000 |
| 45 | July | 2011 | \$150,000 | \$100,000 |
| 46 | August | 2011 | \$145,000 | \$100,000 |
| 47 | September | 2011 | \$140,000 | \$100,000 |
| 48 | October | 2011 | \$135,000 | \$100,000 |
| 49 | November | 2011 | \$135,000 | \$100,000 |
| 50 | December | 2011 | \$135,000 | \$100,000 |
| 51 | January | 2012 | \$135,000 | \$100,000 |
| 52 | February | 2012 | \$130,000 | \$100,000 |
| 53 | March | 2012 | \$125,000 | \$100,000 |
| 54 | April | 2012 | \$120,000 | \$150,000 |
| 55 | May | 2012 | \$115,000 | \$150,000 |
| 56 | June | 2012 | \$110,000 | \$160,000 |
| 57 | July | 2012 | \$105,000 | \$170,000 |
| 58 | August | 2012 | \$100,000 | \$175,000 |
| 59 | September | 2012 | \$100,000 | \$200,000 |
| 60 | October | 2012 | \$100,000 | \$780,000 |

Any Debt Service Amount(s) not received by the Agent in month when due shall bear interest at the rate of 21.50% annum until paid.

Exhibit "A-2"

Lock Box Fee

Exhibit "B"

Funding Date

Funding Date

| | |
|------------------|-------------|
| October 5, 2007 | (\$940,000) |
| October 15, 2007 | (\$800,000) |
| December 1, 2007 | (\$670,000) |

Exhibit "C"

Approved Form for Each Financed Contract

(consisting of a two-page printed form which follows)

5. **INCREASE IN SERVICES FEES.** You acknowledge that the services fee is based upon existing federal, state and local taxes, and the Center's monitoring charges. We shall have the right, at any time, to increase the monitoring fee to reflect any addition or increase of taxes or other charges. The Center's monitoring fees (including monitoring fees) which may be charged to us by the Center or any utility or governmental agency relating to the installation of the system or the monitoring services or other services, and you agree to pay the same. In addition, we can increase the services fee for any renewal term by giving you sixty (60) days prior written notice.

6. LIMITED WARRANTY:

6.1 **WHAT IS COVERED:** FOR NINETY (90) DAYS AFTER WE COMPLETE THE INSTALLATION, WE WILL REPAIR OR REPLACE ANY DEFECTIVE PART OF THE SYSTEM WITHOUT CHARGE TO YOU. WE MAY USE NEW OR USED PARTS OF THE SAME QUALITY.

6.2 **HOW TO GET SERVICE:** CALL OR WRITE US AT THE ADDRESS AND TELEPHONE NUMBER AT THE TOP OF THIS AGREEMENT AND TELL US THAT SOMETHING IS WRONG WITH THE SYSTEM. WE WILL PROVIDE SERVICE AS SOON AS POSSIBLE DURING OUR NORMAL BUSINESS HOURS WHICH ARE 8:00 A.M. TO 5:00 P.M. MONDAY THROUGH FRIDAY, EXCLUDING HOLIDAYS WE OBSERVE. A RESPONSIBLE ADULT MUST BE AT THE PREMISES AT THE TIME WE VISIT. EMERGENCY REPAIR SERVICE IS AVAILABLE ON OTHER DAYS AND TIMES FOR AN ADDITIONAL CHARGE.

6.3 **WHAT IS NOT INCLUDED:** REPAIR OF THE SYSTEM IS OUR ONLY DUTY. THIS WARRANTY DOES NOT INCLUDE DISPOSABLE ITEMS SUCH AS BATTERIES. WE MAKE NO OTHER EXPRESS WARRANTY INCLUDING ANY WARRANTY OF MERCHANTABILITY OR ANY SYSTEM OR ITS PARTS OR FOR ANY COLLATERAL OR LIMITED WARRANTIES. THE DURATION OF THE WARRANTY IS LIMITED TO THE LENGTH OF THIS EXPRESSED WARRANTY. WE DO NOT WARRANT THAT THE SYSTEM WILL ALWAYS DETECT OR HELP PREVENT ANY BURGLARY, FIRE, HOLD-UP OR OTHER SUCH EVENT. WE DO NOT WARRANT THAT THE SYSTEM WILL ALWAYS DETECT OR COMPROMISE OR THAT IT WILL ALWAYS OPERATE. THIS WARRANTY DOES NOT COVER REPAIRS THAT ARE NEEDED BECAUSE OF AN ACCIDENT, ACTS OF GOD, YOUR FAILURE TO PROPERLY USE THE SYSTEM, OR IF SOMEONE OTHER THAN US ATTEMPTS TO REPAIR OR CHANGE THE SYSTEM, OR ANY OTHER REASON EXCEPT A DEFECT IN THE EQUIPMENT OR OUR INSTALLATION. WE DO NOT WARRANT AND ARE NOT OBLIGATED TO MATCH PAINT OR WALL COVERINGS THAT MAY BE MODIFIED AS A RESULT OF THE INSTALLATION. WE DO NOT WARRANT THE RESPONSE TIME OR CAPABILITY OF ANY AGENCY OR PERSON WHO MAY BE NOTIFIED AS A RESULT OF THE SYSTEM BEING USED AND WE MAKE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND. THIS WARRANTY DOES NOT, IF ANY, MAKE US NOT LIABLE FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES. YOU AGREE THAT THIS IS OUR ONLY WARRANTY AND WE HAVE GIVEN YOU NO OTHER WARRANTY FOR THE SYSTEM.

6.4 **STATE LAW:** SOME STATES DO NOT ALLOW THE EXCLUSION OR THE LIMITATION OF CONSEQUENTIAL OR INCIDENTAL DAMAGES, OR A LIMITATION ON THE DURATION OF IMPLIED WARRANTIES. SO THE ABOVE LIMITATION OR EXCLUSIONS MAY NOT APPLY TO YOU. THE WARRANTY GIVES YOU SPECIFIC LEGAL RIGHTS AND YOU MAY ALSO HAVE OTHER RIGHTS WHICH MAY VARY FROM STATE TO STATE.

7. **INSTALLATION OF THE SYSTEM:** You will permit us to install the system during our normal business hours and you will give us unlimited access to your premises. You have approved the locations of where the control panel, audible devices, and all protective devices will be installed. If the system includes an exterior audible bell, horn or siren, it is designed to shut-off after sounding for not more than ten (10) minutes. We will provide a local electrical service, including non-vented electrical outlets for the system's transformers and other electrical needs, and will make installations and repairs to the premises (such as installing all doors and windows on new construction or remodeled premises and fixing loose doors or window frames) that we deem reasonably necessary to facilitate the installation and operation of the system. You will provide or cause to provide any underground trenches, backfill and raceways necessary for the system installation. We are not responsible if the installation is delayed because of bad weather, labor disputes, acts of God or other reasons beyond our control. If required, you will pay for all electrical permits, building plan permits and similar items, whether obtained by you or by us on your behalf. You have the affirmative duty to inform us, prior to beginning of installation, of every location at the premises where we should be aware of concealed obstructions or hazards such as pipes, wires or asbestos) enter or drill holes. Unless so notified, we will determine where to drill holes and place equipment. We will take reasonable precautions to obstructions, but have no means of determining their location with certainty if they exist. Any costs incurred to repair pipes, wires or other obstructions, and any resulting damaged walls, ceilings, floors or furnishings shall be your sole expense and responsibility. If asbestos, or other hazardous material is encountered during installation, we will cease work until you have, at your sole expense, obtained clearance from a licensed asbestos removal or hazardous material contractor that continuation of work will not pose any danger to us or the premises. In no case shall we be liable for discovery or exposure of hidden asbestos or other hazardous material. After we complete the system, you and our representative will inspect it. If something is missing or not properly installed we will tell you within ten (10) days, otherwise the system will have been accepted by you.

8. **MONITORING SERVICE:** We shall connect the system to the Center. To reduce false alarms, we use enhanced-call verification (2 call verification). When a burglar alarm signal from the alarm system is received at the Center, the Center will first try to telephone your premises, and if there is no answer then we will try to telephone the first available person on your emergency call list, to verify whether or not an emergency condition requiring police response exists. If there is no answer to both of these calls or the person contacted indicates that an emergency exists, the Center will notify the police and the police department, and will also attempt to contact someone on the emergency call list to advise them that the police have been notified. When a fire alarm, hold-up alarm or duress alarm signal is received, the Center will attempt to notify the police or fire department or other emergency personnel and the first available person on the emergency call list. When a non-emergency signal is received, we will attempt to contact the premises or the first available person on the emergency call list but will not notify emergency authorities. We may choose not to notify emergency personnel if we have reason to believe that an emergency condition does not exist. You and we are obligated to comply with all notification and response requirements imposed by governmental agencies having jurisdiction over your system. We may discontinue or change any particular response service due to governmental or insurance requirements by giving you written notice. You consent to the tape recording of all telephonic communications between your premises and the Center, if the police or fire department now or in the future requires physical or visual verification of an emergency condition before responding to a request for assistance, you agree to subscribe to such service or otherwise comply with such requirements. We may charge an additional fee for such service.

9. **TRANSMISSION LINES:** If the system is using standard telephone service, it includes a communicator that sends signals to the Center over your regular landline telephone service. The communicator will not work with standard cellular telephone service. You will pay for all telephone charges including any installation fee for a special jack to connect the system to your telephone service, and for the operation of the access control system, if applicable. We recommend the use of an RJ31X or equivalent telephone jack to give the system priority over other telephones in your premises. However, when the system is activated, you will be unable to use your telephone to make other calls (such as calls to the 911 emergency operator) and therefore, you may wish to have the telephone connected to a second line. If your telephone is out of order, placed on vacation status or otherwise not working, signals cannot be transmitted and the Center and we will not know of the telephone service problem. We may utilize a cellular communications system for transmitting alarm signals from your premises to the Center as a primary or secondary communications system. The use of cellular systems may be controlled by a public services commission or similar body in your state, and the Federal Communications Commission and changes in regulations and policies may necessitate our discontinuing such transmission facilities at our option. Cellular transmissions may be impaired or interrupted by atmospheric conditions, including electrical storms, power failures or other conditions or events beyond our control. You agree to reimburse us for any costs we may incur to reprogram the system's communication devices because of area code changes or other dialing pattern changes. The use of DSL, BPL, VoIP or other broadband or internet-based Internet service may prevent the system from transmitting alarm signals to the Center, after it is installed or at any time in the future, and/or interferes with the telephone line-seizure feature of the system. Such services should be installed on a separate line. If your telephone is not used for alarm signal transmission, you agree to notify us if you have installed or intend to install DSL, VoIP or other broadband or Internet service. IMMEDIATELY AFTER THE INSTALLATION OF DSL, VoIP, BPL OR OTHER BROADBAND OR INTERNET SERVICE YOU MUST TEST THE SYSTEM'S SIGNAL TRANSMISSION WITH THE CENTER.

10. **FALSE ALARMS:** You agree that you and others using the system, will use it carefully so as to avoid causing false alarms. Severe weather or other forces beyond our control can cause false alarms. If we receive too many false alarms, that will constitute a breach of contract by you, and we may cancel monitoring service and seek to recover damages. If a false alarm fine or penalty is charged to the Center, you, or us by any governmental agency, you will pay for the charge. If the system has an audible device, you authorize us to enter your premises to turn off the audible device if we are requested or ordered to do so by governmental authorities, neighbors or anyone else, and you will pay our standard service call charge for each such visit.

11. **AFTER WARRANTY SERVICE:** At the end of our ninety day limited warranty we will continue to repair the system on a time and material basis. You will pay our standard call rate and all other charges for all repairs after the warranty. There is a minimum visit charge of \$25.00 for each repair call. See Section 6.2 of our Limited Warranty on how to get repair service.

12. **SUBSCRIBER'S DUTIES:** You will instruct all other persons who may use the system on its proper use. You will test the system's protective devices and send test signals for the system to the Center in accordance with our instructions, at least monthly. If the system has an infrared or interior protection (e.g., infrared or other such detectors) you will turn off, control or remove all things such as air conditioning and heating systems, and pets that might interfere with such devices when they are turned on. If a problem in the system occurs you will notify us. You will obtain and keep in effect all permits or licenses that may be required for the installation and operation of the system. You will use the system in accordance with the instructions for which we will include the name, telephone number and relationship of each person we may call in the event we believe there is an emergency at your premises, and

other information we may require. You will notify us in writing of any changes in the persons or telephone numbers on your emergency call list. You agree that we may disclose the information on the emergency instructions form to any agency or person having jurisdiction over the use and operation of the system. IF THE SYSTEM INCLUDES ANY WIRELESS DEVICES, YOU WILL REPLACE THE BATTERIES AS NEEDED AND AT LEAST ONCE EACH YEAR. The city or county in which your premises is located may require that you obtain a permit for the use and monitoring of the system. Local authorities may not respond to alarm notifications until all permits or licenses for use of the system have been obtained and, therefore, FLS may not begin monitoring until you have obtained all your expense all necessary permits or licenses, and provided FLS with the license or permit number.

13. **SUSPENSION OR CANCELLATION OF THIS AGREEMENT.** You understand that we may stop or suspend monitoring and repair service if: (a) strikes, severe weather, earthquakes or other such events beyond our control affect the operation of the center or so severely damage your premises that continuing service would be impractical; (b) there is an interruption or unavailability of the telephone service between the system and the center; (c) you do not pay the service charge due to us, after we have given you ten days notice that we are canceling service because of non-payment; (d) we are unable to provide service because of some action or ruling by any governmental authority; or (e) you become debtor in a bankruptcy proceeding. If service is canceled or this Agreement is terminated for any reason, we authorize us to remotely disconnect the alarm system communicator from the center and/or enter your premises to disconnect it from our monitoring equipment and remove our communications equipment and software and all of our signs and decals from your premises. If service is suspended because you failed to pay the monitoring fees set forth herein, and you ask us to reactivate the system, you will pay, in advance, our then prevailing reconnection fee. YOU UNDERSTAND THAT THE ALARM SYSTEM MAY NOT WORK WITH EQUIPMENT USED BY OTHER ALARM COMPANIES OR MONITORING CENTERS.

14. **ASSIGNEES AND SUBCONTRACTORS.** We may transfer or assign this Agreement to any other security company, financial institution or other entity. Upon an assignment to another security company, FLS will be relieved of any further obligations under this Agreement. You may not transfer this Agreement to someone else (including someone who purchases or rents your premises) unless we approve the transfer in writing. We may use subcontractors (including the Center) to provide installation, repair or monitoring services, and this Agreement, and all Sections 16 and 17 shall apply to them and their work or services they provide, and protect them in the same manner as its applies to and protects us.

15. **CHANGES TO THE SYSTEM.** If you, or any governmental agency or insurance interest, want us to change the system described herein, or change it after it is installed, or if you or we determine that any changes are reasonably necessitated as a result of operational needs, changes in technology (including changes in signal transmission equipment or methodology) and/or changes in law, you agree to pay our standard parts and labor charges for such changes and you agree that such changes shall not release you from this Agreement. YOU AGREE THAT YOU HAVE CHOSEN THIS SYSTEM AND YOU UNDERSTAND THAT ADDITIONAL OR DIFFERENT PROTECTION IS AVAILABLE FOR A HIGHER PRICE.

16. **FLS IS NOT AN INSURER; LIMITATION OF LIABILITY.** You understand that: (a) we are not an insurer of the personal safety of persons in your premises; (b) you are solely responsible for providing any life, health or disability insurance for yourself and persons who use the system, and we are not providing such insurance; (c) the amount you pay to us is based only on the value of the service we provide and not on the value of your premises or its contents; (d) alarm systems and monitoring service may not always operate properly for various reasons; (e) it is difficult to determine in advance the value of the property that may be lost or destroyed if the system or our service fails to operate properly; (f) it is difficult to determine in advance how fast the police or fire department or others would respond to an alarm signal; and (g) it is difficult to determine in advance what portion, if any, of any property loss, personal injury or death would be proximately caused by our failure to perform, our negligence, or a failure of the system or service. Therefore, you agree that even if a court decides that our breach of this Agreement, or a failure of the system, or our negligence (including gross negligence), or a failure of the installation, monitoring or repair service caused or allowed any harm or damage (whether property damage, personal injury or death) to you or anyone in your premises, our liability shall be limited to \$1500.00, and this shall be your only remedy regardless of what legal theory (including without limitation, negligence, breach of contract, breach of warranty or product liability) is used to determine that we were liable for the injury or loss.

YOU MAY OBTAIN A HIGHER LIMITATION OF LIABILITY. If you wish, you may obtain from us a limitation of liability instead of the liquidated damages for an additional periodic charge. If you elect this option, we will attach a rider to the Agreement which will set forth the amount of the limitation of liability and the amount of the additional charge. Agreeing to the limitation of liability does not mean that we are an insurer.

17. **THIRD PARTY INDEMNIFICATION AND SUBROGATION.** If anyone other than you asks us to pay for any harm or damages (including property damage, personal injury or death) connected with or resulting from (i) our breach of this Agreement, (ii) a failure of the system or service, (iii) our negligence, (iv) any other improper or careless activity of ours in providing the system or services, (v) a claim for indemnification or contribution, you will pay us (a) any legal costs that we incur in connection with or resulting from this Agreement, and (b) the amount of our reasonable attorney's fees and any other costs that we may pay in connection with the harm or damages. Your obligation to pay us for such harm or damages shall not apply if the harm or damages happen while one of our employees or subcontractors is or above our premises, and that employee or subcontractor solely causes such harm or damages. Unless prohibited by your property insurance policy, you agree to release us from any and all claims, damages or losses, including attorney's fees, name, such as your insurance company, and you agree to defend us against any such claim. You will notify your insurance company of this release.

18. **LIMITATION ON LAWSUITS; WAIVER OF JURY TRIAL.** If permitted under applicable law, both FLS and Subscriber agree that no law suit or any other legal proceeding connected with this Agreement shall be brought or filed more than one year after the incident giving rise to the lawsuit. Where permitted by law, EACH PARTY GIVES UP ANY RIGHT TO A JURY TRIAL.

19. **INFORMATION AND PRIVACY.** You understand and agree that in conjunction with employee training, quality control and the provision of services, we may monitor and record video and audio related to monitored activity at your location, as well as conversations with you, emergency services providers, and law enforcement personnel. Further, you understand that privacy cannot be guaranteed on telephone, cable and computer systems, and we shall not be liable to you for any claims, loss, damages or costs which may result from a lack of privacy experienced. You consent to us (i) using information about you and your location (collectively, "information") to provide services to you, (ii) providing information to your select contacts, (iii) providing information, including information contained in your emergency call list, to law enforcement personnel, (iv) providing information for the purpose of providing services hereunder or in response to a subpoena or other such legal process, and (v) using and sharing aggregate subscriber information and statistics for the purpose of marketing and other business purposes. Except as required to provide the services that you have selected, we will not otherwise monitor your premises.

20. **ENTIRE AGREEMENT.** The entire and only agreement between you and FLS is written in this Agreement. It replaces any earlier oral or written understandings or agreements. It may only be changed by a written agreement signed by you and FLS. IT MAY NOT BE CHANGED BY ANY ORAL STATEMENTS OR REPRESENTATIONS MADE BY OUR SALES REPRESENTATIVE. If you have given or ever give us a purchase order for the system or service which provides for different terms than this Agreement, this Agreement will govern and be controlling. If any provision of this Agreement is found to be invalid or illegal by a court, the balance of this Agreement shall remain in force. You agree that a copy of this Agreement and the signatures of the parties hereto shall be maintained by FLS. The original copy of this Agreement shall be deemed to be originals for all purposes. You agree that we may save and store all contracts and other documents executed by Subscriber in an electronic media and all such electronic documents shall be deemed to be, and may be used by us as, originals and shall be given the same force and effect as the paper-form originals.

21. **EARLY TERMINATION:** YOU AGREE THAT THE MONITORING FEES DUE UNDER THIS CONTRACT ARE BASED ON YOUR AGREEMENT TO RECEIVE AND TO PAY FOR THE SERVICES FOR THREE (3) FULL YEARS. ACCORDINGLY, YOU AGREE THAT: IF YOU TERMINATE THIS CONTRACT PRIOR TO THE END OF THE THIRD YEAR, YOU WILL PAY US ALL AMOUNTS TO WHICH WE MAY BE ENTITLED TO RECOVER PURSUANT TO APPLICABLE LAW, INCLUDING, WITHOUT LIMITATION, ALL SERVICES PROVIDED PRIOR TO YOUR TERMINATION. IF YOU TERMINATE THIS AGREEMENT AND AN AMOUNT EQUAL TO OUR LOSS OF PROFITS FOR THE UNEXPIRED INITIAL TERM.

22. **LICENSES.** ALARM COMPANY OPERATORS AND CONTRACTORS MAY BE LICENSED AND REGULATED BY THE STATE IN WHICH YOUR SYSTEM IS LOCATED. Arizona Registrar of Contractors, 800 W. Washington Street, 6th Floor, Phoenix, AZ 85001 (602) 542-1525. DC: Department of Consumer and Regulatory Affairs, 941 North Capitol Street NE, Washington DC 20002 (202) 442-4400. MD: Maryland State Police, Licensing Division, 1771 Washington Blvd., Silver Spring, MD 20910 (301) 291-0191. MI: Michigan State Police, 443 Lafayette Road North, St. Paul, MN 55155 (651) 284-5064. NC: NC Board of Examiners of Electrical Contractors, 3101 Industrial Drive, Suite 206, Raleigh, NC 27609 (919) 833-9042. NJ: NJ Alarm Association Licensing Board, 1631 Alderman Place, Suite 104, Raleigh, NC 27609 (919) 833-9042. NY: State Electrical Board, 200 South 13th, Suite 109, PO Box 95066, Lincoln, NE 68509 (402) 471-3550. NM: NM State Contractors Board, 9670 Gateway Drive, Suite 100, Reno, NV 89521 (775) 784-1100. NV: State of Nevada, Interior Licensing Services, 84 Holland Ave, Albany NY 12208 (518) 474-4429. TX: Dept. of Public Safety, 5005 North Lamar Blvd., Austin, TX 78773 (512) 424-4444. VA: Department of State Police, 12161 Lee Highway, Fairfax, VA 22033 (703) 291-6169. VA: VA Dept. of Criminal Justice Services, 78701 TX 463 6169. VA: VA Dept. of Labor and Industries, 1001 Forest, Richmond, VA 23219 (804) 788-4700. WA: WA Dept. of Labor and Industries, Contractor's Registration Section, PO Box 44950, Olympia, WA 98504 (360) 904-5224.

**ALARM.COM TERMS**

IMPORTANT -- READ CAREFULLY: You have recently agreed to purchase residential or commercial security products and services from an independently owned and operated security services dealer ("Dealer"). Alarm.com Incorporated ("Alarm.com") has authorized the Dealer to market and sell to you Alarm.com's services ("Alarm.com Services") for your use with certain hardware and other products ("Equipment") that enable the Alarm.com Services. These Alarm.com Terms (Sections A1 through A10) are part of your legal agreement with the Dealer. These Alarm.com Terms appear on this page and contain, among other things, important warranty disclaimers (in Section A3) and limitations of liability (in Section A5) applicable to your use of the Alarm.com Services and the Equipment. By signing your agreement with the Dealer, accessing the Alarm.com customer website or using any other part of the Alarm.com Services, you agree to be bound by these Alarm.com Terms. Although these Alarm.com Terms are part of your legal agreement with the Dealer, you acknowledge and agree that they may be enforced by Alarm.com directly.

A1. Pursuant to your agreement with the Dealer, you have agreed to purchase Alarm.com Services and/or Equipment from the Dealer. The Dealer is an independent contractor and not an agent of Alarm.com. You acknowledge and agree that (a) you have had the opportunity to read and review these Alarm.com Terms before entering into your agreement with the Dealer, (b) you accept the Alarm.com Terms and agree to be bound by them, and (c) if, for any reason, you don't remain an Alarm.com subscriber or if the Alarm.com Services become unavailable at your location for any reason, you will have no right of refund, return or deinstallation with respect to any Alarm.com Services or any Equipment, except if and to the extent otherwise required by law. Alarm.com may modify these Alarm.com Terms from time to time as required to comply with applicable law.

A2. The Equipment contains proprietary software of Alarm.com that is embedded in the hardware. Alarm.com solely owns and retains all rights, including all intellectual property rights, in the embedded software and all other Alarm.com materials (together, "Alarm.com Materials") and the Alarm.com Services. You agree that you will not (a) use, or cause or permit any other person or entity to use, any Alarm.com Materials or Alarm.com Services to design, build, market, or sell any similar or substitute product or service, or (b) cause, perform, or permit (i) the copying, decompilation, disassembly, or other reverse engineering of any Alarm.com Materials, (ii) the transferring or purported resale or sublicensing of any Alarm.com Materials, or (iii) the removal, delivery, or exportation of any Alarm.com Materials outside the United States or any other act in violation of any relevant export laws or regulations.

A3. THE SOLE WARRANTY PROVIDED BY ALARM.COM WITH RESPECT TO THE ALARM.COM SERVICES, ALARM.COM MATERIALS AND EQUIPMENT IS A LIMITED WARRANTY TO USE COMMERCIALY REASONABLE EFFORTS TO CORRECT OR BYPASS A MATERIAL DEFECT IN THE ALARM.COM SERVICES, IN ACCORDANCE WITH THE TERMS AND CONDITIONS SET FORTH IN THESE ALARM.COM TERMS ("LIMITED WARRANTY"). THE LIMITED WARRANTY IS NOT EXTENDED TO YOU UNLESS YOU HAVE ACCEPTED THESE ALARM.COM TERMS AND REMAIN BOUND BY THESE TERMS AND CONDITIONS. THE LIMITED WARRANTY IS FOR YOUR BENEFIT ONLY AND MAY NOT BE ENFORCED BY ANY OTHER PERSON OR ENTITY. EXCEPT FOR THE LIMITED WARRANTY WITH RESPECT TO ALARM.COM SERVICES, ALL ALARM.COM SERVICES, ALL EQUIPMENT AND ALL ALARM.COM MATERIALS THAT ARE OR MAY BE PROVIDED BY ALARM.COM ARE PROVIDED "AS IS," WITH ALL FAULTS. TO THE MAXIMUM EXTENT PERMITTED BY LAW, ALARM.COM DISCLAIMS (a) ALL EXPRESS WARRANTIES TO YOU, OTHER THAN THE LIMITED WARRANTY, (b) ALL IMPLIED WARRANTIES TO YOU OF ANY KIND, AND (c) ALL WARRANTIES TO OR FOR THE BENEFIT OF ANY OTHER PERSON OR ENTITY, WHETHER EXPRESS OR IMPLIED. THE IMPLIED WARRANTIES DISCLAIMED HEREIN, TO THE MAXIMUM EXTENT PERMITTED BY LAW, INCLUDE ALL WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, SYSTEMS INTEGRATION, QUIET ENJOYMENT, OR NON-INFRINGEMENT. EXCEPT FOR THE LIMITED WARRANTY, THE ENTIRE RISK AS TO SATISFACTORY QUALITY, PERFORMANCE, ACCURACY, AND EFFORT OF ALL ALARM.COM SERVICES, ALL EQUIPMENT AND ALL ALARM.COM MATERIALS SHALL BE WITH YOU. ALARM.COM SHALL HAVE NO RESPONSIBILITY FOR EQUIPMENT WHICH IS MANUFACTURED BY THIRD PARTIES.

A4. The prices we charge for the Alarm.com Services and Equipment reflect the value of the goods and services Alarm.com provides and not the value of your premises or its contents or any losses associated with personal injury or death. You understand and agree that Alarm.com is not an insurer of your property or the personal safety of persons in or around your premises. If you feel that you need insurance, you should obtain it from a third party. You understand and agree that (a) the Alarm.com Services and Equipment may not detect or prevent an unauthorized intrusion onto the premises or other emergency condition such as fire, smoke, carbon monoxide, medical emergencies or water damage; (b) it is difficult to determine in advance the value of the property that might be lost, stolen, damaged or destroyed if the Alarm.com Services or Equipment fail to operate properly; (c) it is

difficult to determine what portion, if any, of any property loss, personal injury or death would be proximately caused by Alarm.com's: (i) breach of these Alarm.com Terms, (ii) failure to perform, (iii) negligence (including gross negligence), or (iv) any failure of the Alarm.com Services or Equipment.

A5. YOU AGREE THAT ALARM.COM'S LIABILITY TO YOU FOR ALL HARM, DAMAGES, INJURY OR LOSS SHALL BE LIMITED TO THE GREATER OF ONE THOUSAND DOLLARS (\$1,000.00) OR THE ANNUAL AMOUNT THAT ALARM.COM RECEIVES FOR YOUR USE OF THE ALARM.COM SERVICES, AND THIS SHALL BE YOUR ONLY REMEDY REGARDLESS OF WHAT LEGAL THEORY IS USED TO DETERMINE THAT ALARM.COM WAS LIABLE FOR THE HARM, DAMAGES, INJURY OR LOSS. YOU FURTHER AGREE THAT THE LIMITATION OF LIABILITY IN THIS SECTION A5 SHALL APPLY (a) EVEN IF IT IS DETERMINED THAT ALARM.COM CAUSED THE HARM, DAMAGES, INJURY OR LOSS TO YOU OR SOMEONE IN OR AROUND YOUR PREMISES (INCLUDING EMPLOYEES AND INVITEES) AND (b) TO ALL HARM, DAMAGES, INJURY OR LOSS INCURRED INCLUDING ACTUAL, DIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, PROPERTY DAMAGE AND LOSSES DUE TO BUSINESS INTERRUPTION, LOSS OF PROFITS, PERSONAL INJURY OR DEATH. YOU MAY OBTAIN FROM ALARM.COM A HIGHER LIMITATION OF LIABILITY BY PAYING AN ADDITIONAL FEE TO ALARM.COM. IF YOU ELECT THIS OPTION, A RIDER WILL BE ATTACHED TO THESE ALARM.COM TERMS WHICH WILL SET FORTH THE AMOUNT OF THE HIGHER LIMITATION OF LIABILITY AND THE AMOUNT OF THE FEE. AGREEING TO THE HIGHER LIMITATION OF LIABILITY DOES NOT MEAN THAT ALARM.COM IS AN INSURER. YOU WAIVE ALL SUBROGATION AND OTHER RIGHTS OF RECOVERY AGAINST US THAT ANY INSURER OR OTHER PERSON MAY HAVE AS A RESULT OF PAYING ANY CLAIM FOR HARM, DAMAGES, INJURY OR LOSS TO YOU OR ANY OTHER PERSON OR ENTITY.

A6. If any of your employees, guests, relatives, invitees, or insurers, or any other person or entity connected to you, or any person or entity who seeks to assert rights they claim are derived from your relationship with Alarm.com, attempts to hold Alarm.com responsible for any harm, damages, injury or loss (including property damage, personal injury or death) connected with or resulting from (a) a failure of the Alarm.com Services or Equipment, (b) Alarm.com's negligence (including gross negligence), (c) any other improper or careless activity of Alarm.com, or (d) a claim for indemnification or contribution, you will repay to Alarm.com (i) any amount which Alarm.com is required to pay or which Alarm.com reasonably agrees to pay in settlement of the claim, and (ii) the amount of Alarm.com's reasonable attorney's fees and any other losses and costs that Alarm.com may incur in connection with the harm, damages, injury or loss.

A7. You understand and agree that these Alarm.com Terms, and particularly Sections A5 and A6, shall (a) apply to and protect the employees, officers, shareholders, parent companies, directors, agents, licensors, representatives and affiliates of Alarm.com, and (b) be binding on your heirs, administrators, custodians, trustees, agents and successors.

A8. TO THE EXTENT PERMITTED BY LAW, YOU AGREE THAT NO LAWSUIT OR ANY OTHER LEGAL PROCEEDING CONNECTED WITH THE ALARM.COM SERVICES OR EQUIPMENT SHALL BE BROUGHT OR FILED BY YOU MORE THAN ONE (1) YEAR AFTER THE INCIDENT GIVING RISE TO THE CLAIM OCCURRED. IN ADDITION, ANY SUCH LEGAL PROCEEDING SHALL NOT BE HEARD BEFORE A JURY. EACH PARTY GIVES UP ANY RIGHT TO A JURY TRIAL. TO THE EXTENT PERMITTED BY LAW, YOU AGREE THAT YOU WILL NOT BRING ANY CLASS ACTION LAWSUIT AGAINST ALARM.COM OR BE A REPRESENTATIVE PLAINTIFF OR PLAINTIFF CLASS MEMBER IN ANY SUCH LAWSUIT.

A9. These Alarm.com Terms shall be governed by the law of the State of California, without giving effect to its rules of conflict of laws. If you are a resident or business located in the State of California, the following applies to you: If either you or Alarm.com commences a law suit for a dispute arising under or related to these Alarm.com Terms or in anyway relating to the Alarm.com Services, such suit shall be submitted to general judicial reference in Los Angeles, California pursuant to California Code of Civil Procedure section 638 et seq. and 641 through 645.1 or any successor statutes thereto.

A10. If any provision of these Alarm.com Terms or the application of any such provision to any person, entity or circumstance shall be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of these Alarm.com Terms. The parties intend that all disclaimers of warranties, limitations of liability, and exclusions of damages in these Alarm.com Terms shall be upheld and applied to the maximum extent permitted by law. Alarm.com is an intended third-party beneficiary of these Alarm.com Terms and shall have the right to enforce and/or otherwise invoke any and all provisions set forth in any of these Alarm.com Terms directly. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation."

Exhibit "D"

Limited Power of Attorney

LIMITED POWER OF ATTORNEY

State of Utah)

County of Utah)

) Know All Men By These Presents:

THIS LIMITED POWER OF ATTORNEY AGREEMENT (this "Power of Attorney") is made and entered into as of the 4th day of October, 2007 by and between Firstline Security, Inc., a Utah corporation ("Firstline") and McGinn, Smith Funding, LLC, a New York limited liability company (with its successors and assigns, the "Agent"). Capitalized words or phrases not otherwise defined herein shall have the same meaning as those given to them in the Residential Monitoring Receivable Financing Agreement (the "Agreement"), dated as of October 4th, 2007, by and between Agent and Firstline.

WHEREAS, Firstline and Agent entered into the Agreement, whereby Firstline agreed to grant Agent a security interest in and to Firstline's right, title and interest in the related Monitoring Revenue Stream from certain identified Financed Contracts to the Agent at the time the Agent paid the Funding Price to Firstline (it being expressly acknowledged that Firstline retained all other right, title and interest in and to the Financed Contracts); and

WHEREAS, Firstline desires to appoint the Agent as Firstline's limited attorney-in-fact for the specific purposes set forth in this Power of Attorney.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which being hereby acknowledged by Firstline and the Agent, Firstline grants the Agent a limited power of attorney on the following terms and conditions:

Firstline, acting by and through Wright W. Thurston, its President, has made, constituted and appointed, and by these presents does name, constitute and appoint the Agent to be its lawful Agent and attorney-in-fact, effective upon an Event of Default under the Agreement, with respect to all matters in connection with the enforcement of the Agent's right to receive the Monitoring Revenue Stream from an Obligor in accordance with the terms and conditions of each such Financed Contract including instituting any legal or equitable proceedings against an Obligor to the extent Agent is authorized to take such action pursuant to the Agreement. Nothing in this Power of Attorney shall relieve Firstline of any of its obligations under Paragraph 16 of the Agreement. Firstline agrees to assist and cooperate with the Agent in its efforts under this Power of Attorney to collect the Monitoring Revenue Stream from an Obligor in accordance with the terms and conditions of the Contract.

Firstline hereby authorizes and empowers the Agent to execute and deliver, on behalf of Firstline, all instruments or documents with respect to the matter described in the preceding paragraph, necessary or appropriate to consummate the transactions with respect to the matter described in the preceding paragraph. Firstline agrees and represents to those dealing with the Agent that this Power of Attorney shall remain in full force and effect until the date upon which the Agent has received the Debt Service Amounts in full.

IN WITNESS WHEREOF, Firstline and the Agent have executed this instrument on this the 9th day of Oct., 2007.

FIRSTLINE SECURITY

By: [Signature]

Its: President

MCGINN, SMITH FUNDING, LLC

By: _____

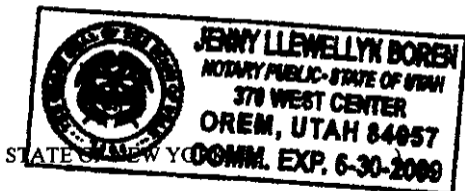
Timothy M. McGinn, Chairman

STATE OF Utah)

) ss.:

COUNTY OF Utah)

On the 4th day of October in the year 2007 before me, the undersigned, personally appeared Wright Thurstin, 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.



STATE OF NEW YORK)

COUNTY OF ALBANY)

) ss.:

On the ____ day of _____ in the year 2007 before me, the undersigned, personally appeared Timothy M. McGinn, 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.

[Signature]
NOTARY PUBLIC

NOTARY PUBLIC

Exhibit "E"

Form of Continuing Guaranty

CONTINUING GUARANTY (Personal) New York

GUARANTOR:

Name

Residence Address

BORROWER:

Firstline Security, Inc.
Name370 West Center Street, Orem, Utah 84057
Address

BANK:

McGinn, Smith Funding, LLC, 99 Pine Street, 5th Floor, Albany, New York 122071) **Guaranty.**

(a) Guarantor, intending to be legally bound, hereby unconditionally guarantees the full and prompt payment and performance of any and all of Borrower's Obligations (as defined below) to the Bank when due, whether at stated maturity, by acceleration or otherwise. As used in this Guaranty, the term "Obligations" shall mean any and all obligations, indebtedness and other liabilities of Borrower to the Bank now or hereafter existing, of every kind and nature and all accrued and unpaid interest thereon and all Expenses (as defined below) including without limitation, whether such obligations, indebtedness and other liabilities (i) are direct, contingent, liquidated, unliquidated, secured, unsecured, matured or unmatured; (ii) are pursuant to a guaranty or surety in favor of the Bank; (iii) were originally contracted with the Bank or with another party (including obligations under a guaranty or surety originally in favor of such other party); (iv) are contracted by Borrower alone or jointly with one or more other parties; (v) are or are not evidenced by a writing; (vi) are renewed, replaced, modified or extended; and (vii) are periodically extinguished and subsequently reincurred or reduced and thereafter increased. Guarantor will pay or perform his or her obligations under this Guaranty upon demand. This Guaranty is and is intended to be a continuing guaranty of payment (not collection) of the Obligations (irrespective of the aggregate amount thereof and whether or not the Obligations from time to time exceeds the amount of this Guaranty, if limited), independent of, in addition and without modification to, and does not impair or in any way affect, any other guaranty, indorsement, or other agreement in connection with the Obligations, or in connection with any other indebtedness or liability to the Bank or collateral held by the Bank therefor or with respect thereto, whether or not furnished by Guarantor. Guarantor understands that the Bank can bring an action under this Guaranty without being required to exhaust other remedies or demand payment first from other parties.

(b) Guarantor acknowledges the receipt of valuable consideration for this Guaranty and acknowledges that the Bank is relying on this Guaranty in making a financial accommodation to Borrower, whether a commitment to lend, extension, modification or replacement of, or forbearance with respect to, any Obligation, cancellation of another guaranty, purchase of Borrower's assets, or other valuable consideration.

2) **Continuing, Absolute, Unconditional.** This Guaranty is irrevocable, absolute, continuing, unconditional and general without any limitation (the "Guaranteed Amount").

3) **Guarantor's Waivers & Authorizations.**

(a) Guarantor's obligations shall not be released, impaired or affected in any way including by any of the following, all of which Guarantor hereby waives (i) any bankruptcy, reorganization or insolvency under any law of Borrower or that of any other party, or by any action of a trustee in any such proceeding; (ii) any new agreements or obligations of Borrower or any other party with the Bank; (iii) any adjustment, compromise or release of any Obligations of Borrower, by the Bank or any other party; the existence or nonexistence or order of any filings, exchanges, releases, impairment or sale of, or failure to perfect or continue the perfection of a security interest in any collateral for the Obligations, (iv) any failure of Guarantor to receive notice of any intended disposition of such collateral; (v) any fictitiousness, incorrectness, invalidity or unenforceability, for any reason, of any instrument or other agreement which may evidence any Obligation; (vi) any composition, extension, stay or other statutory relief granted to Borrower including, without limitation, the expiration of the period of any statute of limitations with respect to any lawsuit or other legal proceeding against Borrower or any person in any way related to the Obligations or a part thereof or any collateral therefor; (vii) any change in form of organization, name, membership or ownership of Borrower or Guarantor; (viii) any refusal or failure of the Bank or any other person prior to the date hereof or hereafter to grant any additional loan or other credit accommodation to Borrower or the Bank's or any other party's receipt of notice of such refusal or failure; (ix) any setoff, defense or counterclaim of Borrower with respect to the obligations or otherwise arising, either directly or indirectly, in regard to the Obligations; or (x) any other circumstance that might otherwise constitute a legal or equitable defense to Guarantor's obligations under this Guaranty.

(b) Guarantor waives acceptance, assent and all rights of notice or demand including without limitation (i) notice of acceptance of this Guaranty, of Borrower's default or nonpayment of any Obligation, and of changes in Borrower's financial condition; (ii) presentment, protest, notice of protest and demand for payment; (iii) notice that any Obligations has been

incurred or of the reliance by the Bank upon this Guaranty; and (iv) any other notice, demand or condition to which Guarantor might otherwise be entitled prior to the Bank's reliance on or enforcement of this Guaranty. Guarantor further authorizes the Bank, without notice, demand or additional reservation of rights against Guarantor and without affecting Guarantor's obligations hereunder, from time to time: (i) to renew, refinance, modify, subordinate, extend, increase, accelerate, or otherwise change the time for payment of, the terms of or the interest on the Obligations or any part thereof; (ii) to accept and hold collateral from any party for the payment of the any or all of the Obligations, and to exchange, enforce or refrain from enforcing, or release any or all of such collateral; (iii) to accept any indorsement or guaranty of any or all of the Obligations or any negotiable instrument or other writing intended to create an accord and satisfaction with respect to any or all of the Obligations; (iv) to release, replace or modify the obligation of any indorser or guarantor, or any party who has given any collateral for any of all of the Obligations, or any other party in any way obligated to pay any or all of the Obligations, and to enforce or refrain from enforcing, or compromise or modify, the terms of any obligation of any such indorser, guarantor or party; (v) to dispose of any and all collateral securing the Obligations in any manner as the Bank, in its sole discretion, may deem appropriate, and to direct the order and the enforcement of any and all indorsements and guaranties relating to the Obligations in the Bank's sole discretion; and (vi) to determine the manner, amount and time of application of payments and credits, if any, to be made on all or any part of the - Obligations including, without limitation, if this Guaranty is limited in amount, to make any such application to Obligations, if any, in excess of the amount of this Guaranty.

(c) Notwithstanding any other provision in this Guaranty until such time as the Capitalized Obligations are paid in full, Guarantor irrevocably waives, without notice, any right he or she may have at law or in equity (including without limitation any law subrogating Guarantor to the rights of the Bank) to seek contribution, indemnification or any other form of reimbursement from Borrower or any other obligor or guarantor of the Obligations for any disbursement made under this Guaranty or otherwise.

4) **Termination.** This Guaranty shall remain in full force and effect as to each Guarantor until actual receipt by the Bank officer responsible for Borrower's relationship with the Bank of written notice of Guarantor's intent to terminate (or Guarantor's death or incapacity) plus the lapse of a reasonable time for the Bank to act on such notice (the "Receipt of Notice"); provided, however, this Guaranty shall remain in full force and effect thereafter until all Obligations outstanding, or contracted or committed for (whether or not outstanding), before such Receipt of Notice by the Bank, and any extensions, renewals or replacements thereof (whether made before or after such Receipt of Notice), together with interest accruing thereon after such Receipt of Notice, shall be finally and irrevocably paid in full. Discontinuance of this Guaranty as to one Guarantor shall not operate as a discontinuance hereof as to any other guarantor. Payment of all of the Obligations from time to time shall not operate as a discontinuance of this Guaranty, unless a Receipt of Notice as provided above has been received by the Bank. Guarantor agrees that, to the extent that Borrower makes a payment or payments to the Bank on the Obligations, or the Bank receives any proceeds of collateral to be applied to the Obligations, which payment or payments or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or otherwise are required to be repaid to Borrower, its estate, trustee, receiver or any other party, including, without limitation, under any bankruptcy law, state or federal law, common law or equitable cause, then to the extent of such repayment, the obligation or part thereof which has been paid, reduced or satisfied by such amount shall be reinstated and continued in full force and effect as of the date such initial payment, reduction or satisfaction occurred, notwithstanding any contrary action which may have been taken by the Bank in reliance upon such payment or payments. As of the date any payment or proceeds of collateral are returned, the statute of limitations shall start anew with respect to any action or proceeding by the Bank against Guarantor under this Guaranty. Likewise, any acknowledgment, reaffirmation or payment, by Borrower or any third party, of any portion of the Obligations, shall be deemed to be made as agent for the Guarantor, strictly for the purposes of tolling the running of (and/or preventing the operation of) the applicable statute of limitations with respect to any action or proceeding by the Bank against Guarantor under this Guaranty.

5) **Expenses.** Guarantor agrees to reimburse the Bank on demand for all the Bank's expenses, damages and losses of any kind or nature, including without limitation costs of collection and actual attorneys' fees and disbursements whether for internal or external counsel incurred by the Bank in attempting to enforce this Guaranty, collect any of the Obligations including any workout or bankruptcy proceedings or other legal proceedings or appeal, realize on any collateral, defense of any action under the prior paragraph or for any other purpose related to the Obligations (collectively, "Expenses"). Expenses will accrue interest at the highest default rate in any instrument evidencing the Obligations until payment is actually received by the Bank.

6) **Financial and Other Information.** Guarantor shall provide annual personal financial statements and any other financial information requested by the Bank in form satisfactory to the Bank. Guarantor represents that his or her assets are not subject to any liens, encumbrances or contingent liabilities except as fully disclosed to the Bank in such statements. Guarantor warrants that all information Guarantor gives to the Bank at any time is correct, complete and not misleading. Guarantor resides at the above address and will notify the Bank officer named above immediately in writing upon any change in address. Guarantor understands this Guaranty and has satisfied himself or herself as to its meaning and consequences and acknowledges that it has made its own arrangements for keeping informed of changes or potential changes affecting the Borrower including the Borrower's financial condition.

7) **Security; Right of Setoff.** As further security for payment of the Obligations, Expenses and any other obligations of Guarantor to the Bank, Guarantor hereby grants to the Bank a security interest in all money, securities and other property of Guarantor in the actual or constructive possession or control of the Bank or its affiliates including without limitation all deposits and other accounts owing at any time by the Bank or any of its affiliates in any capacity to Guarantor in any capacity (collectively, "Property"). The Bank shall have the right to set off Guarantor's Property against any of Guarantor's obligations to the Bank. Such set-off shall be deemed to have been exercised immediately at the time the Bank or such affiliate elect to do so. The Bank shall also have all of the rights and remedies of a secured party under the Uniform Commercial Code, as the same may be in effect in the State of New York, as amended from time to time, in addition to those under this Guaranty and other applicable law and agreements.

8) **No Transfer of Assets.** Guarantor shall not transfer, reinvest or otherwise dispose of his or her assets in a manner or to an extent that would or might impair Guarantor's ability to perform his or her obligations under this Guaranty.

9) **Nonwaiver by the Bank; Miscellaneous.** This Guaranty is intended by Guarantor to be the final, complete and exclusive expression of the agreement between Guarantor and the Bank. This Guaranty may be assigned by the Bank, shall inure to the benefit of the Bank and its successors and assigns, and shall be binding upon Guarantor and his or her legal representative, successors and assigns and any participation may be granted by the Bank herein in connection with the assignment or granting of a participation by the Bank in the Obligations or any part thereof. All rights and remedies of the Bank are cumulative, and no such right or remedy shall be exclusive of any other right or remedy. This Guaranty does not supersede any other guaranty or security granted to the Bank by Guarantor or others (except as to Guarantor's Waiver of Subrogation rights above). No single, partial or delayed exercise by the Bank of any right or remedy shall preclude exercise by the Bank at any time at its sole option of the same or any other right or remedy of the Bank without notice. Guarantor expressly disclaims any reliance on any course of dealing or usage of trade or oral representation of the Bank including, without limitation, representations to make loans to Borrower or enter into any other agreement with Borrower or Guarantor. No course of dealing or other conduct, no oral agreement or representation made by the Bank or usage of trade shall operate as a waiver of any right or remedy of the Bank. No waiver or amendment of any right or remedy of the Bank or release by the Bank shall be effective unless made specifically in writing by the Bank. Each provision of this Guaranty 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. Guarantor agrees that in any legal proceeding, a copy of this Guaranty kept in the Bank's course of business may be admitted into evidence as an original. Captions are solely for convenience and not part of the substance of this Guaranty. Payments made to the Bank by Guarantor (other than, directly or indirectly, from collateral or other persons or entities liable for any portion of the Obligations) after maturity of the Obligations, by acceleration or otherwise, shall reduce the Guaranteed Amount.

10) **Joint and Several.** If there is more than one Guarantor, each Guarantor jointly and severally guarantees the payment and performance in full of all obligations under this Guaranty and the term "Guarantor" means each as well as all of them. Guarantor also agrees that the Bank need not seek payment from any source other than the undersigned Guarantor. This Guaranty is a primary obligation. Guarantor's obligations hereunder are separate and independent of Borrower's, and a separate action may be brought against Guarantor whether or not action is brought or joined against or with Borrower or any other party.

Exhibit "E"

Monitoring Receivable Financing Participation Agreement

MONITORING RECEIVABLE FINANCING PARTICIPATION AGREEMENT

This MONITORING RECEIVABLE FINANCING PARTICIPATION AGREEMENT (the "Agreement"), dated as of the 9th day of October, 2007, is among MCGINN SMITH CAPITAL HOLDINGS CORP., a New York corporation, having its principal place of business at 99 Pine Street - 5th Floor, Albany, New York 12207 (the "Trustee"), and FIRSTLINE SR. TRUST 07 SERIES B, a New York common law trust, having its principal place of business at 99 Pine Street - 5th Floor, Albany, New York 12207 (the "Senior Participant"), Firstline Trust 07 Series B, a New York common law trust, having its principal place of business at 99 Pine Street - 5th Floor, Albany, New York 12207 (the "Junior Participant") (the Senior Participant and the Junior Participant being sometimes hereinafter collectively referred to as "Participants") and McGinn, Smith Funding, LLC, a New York limited liability company having its principal place of business at 99 Pine Street - 5th Floor, Albany, New York 12207 (the "Portfolio Manager").

WITNESSETH

WHEREAS, the Portfolio Manager has entered into a Residential Monitoring Receivable Financing Agreement (as hereinafter defined) with Firstline Security Inc. ("Firstline") pursuant to which it has provided financing to Firstline; and

WHEREAS, the Participants desire to purchase from the Portfolio Manager a participation in the cash flow generated by said financing;

NOW THEREFORE, it is agreed as follows:

SECTION 1. DEFINITIONS. Unless otherwise defined herein, all capitalized terms used herein shall have the meanings assigned to them in the Residential Monitoring Receivable Financing Agreement.

SECTION 2. FINANCING OF CONTRACTS. From time to time, the Portfolio Manager may arrange for the financing of Contracts from Firstline which satisfy the criteria specified herein and in the Residential Monitoring Receivable Financing Agreement. The financing by the Portfolio Manager of one or more Contracts will not obligate the Portfolio Manager to finance any other Contracts.

SECTION 3. RESIDENTIAL MONITORING RECEIVABLE FINANCING AGREEMENT. The Portfolio Manager and Firstline entered into a Residential Monitoring Receivable Financing Agreement dated as of October 9, 2007 (the "Residential Monitoring Receivable Financing Agreement") which is attached hereto as Exhibit "A" and which forms part of this Agreement;

SECTION 4. WARRANTIES AND REPRESENTATIONS OF THE PORTFOLIO MANAGER. The Portfolio Manager hereby makes the following representations and warranties to the Participants:

(a) The Portfolio Manager is a duly formed limited liability company, validly existing and in good standing under the laws of the State of New York.

(b) The execution, delivery and performance by the Portfolio Manager of this Agreement and the Residential Monitoring Receivable Financing Agreement, the consummation of the transactions contemplated hereby and thereby and compliance with the provisions of this Agreement and the Residential Monitoring Receivable Financing Agreement by the Portfolio Manager (i) are within the Portfolio Manager's limited liability company powers; (ii) have been duly authorized by all necessary and proper action on the part of the Portfolio Manager; and (iii) do not and will not require the consent of any party (which has not heretofore been received) and will not result in a breach of, or default under, any loan or credit agreement, indenture, business agreement, mortgage, guarantee or other agreement or instrument to which the Portfolio Manager is a party or by which it is bound; or conflict with or violate any existing law, rule, regulation, judgment, order or decree of any governmental instrumentality, agency or court having jurisdiction over the Portfolio Manager or any of its properties. This Agreement and the Residential Monitoring Receivable Financing Agreement have been duly executed and delivered by the Portfolio Manager and constitute the legal, valid and binding obligations of the Portfolio Manager, enforceable against the Portfolio Manager in accordance with their respective terms.

(c) There is no action, litigation, suit, proceeding, inquiry, or investigation, either at law or in equity or before any court, public body or board, pending, or, to the best of the Portfolio Manager's knowledge, threatened against or affecting the Portfolio Manager which involves the possibility of materially or adversely affecting the property, business, profits or conditions (financial or otherwise) of the Portfolio Manager.

SECTION 5. COVENANTS OF MCGINN, SMITH FUNDING LLC. The Portfolio Manager hereby covenants as follows:

(a) Required Due Diligence Matters: The Portfolio Manager shall obtain and review, as to Firstline, the documents described in Exhibit C attached hereto and made a part hereof. The Portfolio Manager has delivered to the Senior Participant true and correct copies of all such documents and shall make available all such documents to the Junior Participant upon its request. The Portfolio Manager will not include any Contract in a Portfolio if, as of the date of such inclusion: (i) such financing would violate the terms or provisions of the Firstline certificate of incorporation or by-laws; (ii) Firstline is not in good standing in its State of domicile; (iii) Firstline has any franchise, income or other similar taxes due and owing to any governmental agency or authority; (iv) any such Contract is subject to any lien or security interest other than the lien and security interest under the Monitoring Receivable Financing Agreement; (v) any judgment has been filed against Firstline and remains unsatisfied; (vi) the Central Station which Firstline has contracted with to provide Monitoring Services (the "Central Station") is not duly licensed to transact business as a security monitoring company in its State of domicile or in any state in which it is performing monitoring services where such license is required; (vii) the Central Station has not agreed (A) to provide the Portfolio Manager notice when payments from Firstline are more than 30 days past due and (B) that it will not suspend service with respect to the Financed Contracts without having provided the Portfolio Manager at least 10 days' notice; or (viii) Firstline or such Central Station has failed to maintain general liability insurance coverage in a minimum amount of \$1,000,000.00 as set forth in the Residential Monitoring Receivable Financing Agreement.

(b) Contract Standards: Each Contract shall (i) have a term not to exceed 60 months; and (ii) require the Obligor to pay a monitoring fee not to exceed \$60.00 per month.

(c) Contract Compliance: Firstline shall have all Financed Contracts and forms therefor reviewed by its counsel and shall warrant and represent to the Portfolio Manager that the Contracts (i) are legal, valid and binding obligations of the parties thereto, enforceable in accordance with their terms and (ii) comply with all federal, state and local laws, rules and regulations.

SECTION 6. FORMS AND CREDIT DATA. Each Financed Contract shall be in form and substance satisfactory to Participants and shall be held by the Portfolio Manager for the benefit of the Participants, accompanied by:

(a) the bona fide, original contract obligation instrument and all other original documents executed by the Obligor thereon;

(b) a receipt or other written proof that the Obligor thereon has paid cash for his Security Alarm System; and

(c) if the Obligor has financed his Security Alarm System, written evidence that a reputable financial institution has approved the Obligor's Credit.

SECTION 7. CONTRACT FINANCING. Certificateholders will be provided a yield as follows:

| | |
|---------------------------|--------|
| Senior Participant Yield: | 9.50% |
| Junior Participant Yield: | 11.00% |

SECTION 8. COLLECTIONS AND SERVICING. Firstline, pursuant to the terms of the Residential Monitoring Receivable Financing Agreement, shall (a) bill for and provide all required collection services necessary to effect payment of the underlying Obligations by the Obligors on the Financed Contracts, including delivering to each Obligor a monthly payment advanced billing and (b) direct all Obligor Payments to a lockbox remittance processing and date capture service maintained by M&T Bank. ("M&T"), as set forth in the remittance lockbox processing agreement(the "Lockbox Agreement") attached hereto as Exhibit D. M&T shall deposit all such Obligor Payments into an Accumulation Account established in the name of the Participants (the "Accumulation Account").

Participants shall be entitled to their respective monthly scheduled cash flow ("Scheduled Cash Flow") as set forth on Exhibits B and B-1, which amounts shall be paid monthly from Obligor Payments collected by M&T and deposited at a bank to be determined by the Trustee. Any funds remaining after the payment of the Scheduled Cash Flow each month shall be paid by the Portfolio Manager to Firstline.

On the first business day of each month commencing December 1, 2007 the Portfolio Manager shall withdraw from the Accumulation Account an amount equal to the Scheduled Cash Flow set forth on Exhibit B. After the Senior Participant has received its monthly Scheduled Cash Flow, the Portfolio Manager shall then remit to the Junior Participant in an amount equal to the Scheduled Cash Flow set forth on Exhibit B-1 (the "Junior Payment"). In the event the Obligor Payments collected for any month by M&T are less than the Scheduled Cash Flow due the Participants for that month, the balance will be paid out of the first Obligor Payments received by M&T in the following month. Any Scheduled Cash Flow not received by Participants in the month when due shall bear interest at the rate of 21.50% interest per annum until paid. Thereafter the Scheduled Cash Flow due the Participants for that month will be paid from the balance of the Obligor Payments received that month. Thereafter, funds remaining shall be paid to Firstline.

The Portfolio Manager shall be responsible to oversee Firstline's performance of all of its obligations under the Contracts and the Residential Monitoring Receivable Financing Agreement. Upon written notice from the Participants to the Portfolio Manager of the existence of a non-performing Contract, the Portfolio Manager shall be responsible for overseeing Firstline's repurchase or substitution of such non-performing Contract as required in Paragraph 12c of the Residential Monitoring Receivable Financing Agreement.

SECTION 9. PERFORMANCE. The Portfolio Manager shall be responsible for overseeing that Firstline promptly fulfill all of its respective obligations to the Obligors with regard to the Financed Contracts, and shall, for the benefit of the Participants, enforce, assert and exercise any and all rights, powers and remedies available under the Residential Monitoring Receivable Financing Agreements. The financing by Participants of any Contract will not be deemed an assumption by Participants of, or impose upon Participants, any obligation under the Contracts or any other agreement with any Obligor.

SECTION 10. NOTICES TO PARTICIPANTS. The Portfolio Manager shall promptly notify Participants of any information that may come to the Portfolio Manager's attention which may have a material effect on any Financed Contract, including, without limitation, any default by, or claim or dispute with, any Obligor or Firstline.

SECTION 11. RECORDS AND REPORTS. The Portfolio Manager shall, by appropriate entry in its books of account, record all transactions with Participants under this Agreement in accordance with generally accepted accounting principles. These records will indicate the financing of Contracts to Participants.

SECTION 12. TRANSFER TO THE JUNIOR PARTICIPANT. Upon receipt by Senior Participant of all Scheduled Cash Flow as set forth on Exhibit B, all of Senior Participant's rights, title and interest in the Financed Contracts and related Obligations shall terminate and the Financed Contracts shall be transferred, delivered and/or endorsed by the Senior Participant to the Junior Participant or its assigns, without recourse and without warranty. At such time the Senior Participant shall also transfer the Accumulation Account to the Junior Participant to be used in accordance with the terms of this Agreement, without recourse and without warranty.

SECTION 13. RETRANSFER TO FIRSTLINE. Subject to compliance by Firstline with all of its' obligations under the Residential Monitoring Receivable Financing Agreement, including, without limitation, Section 12a thereof, upon receipt by Senior Participant and the Junior Participant of all amounts due and owing during the mandatory payment period of any Financed Contract, whether repurchased by Firstline or paid in full by the Obligor, all of Participants' right, title and interest in such Financed Contract and related Obligations shall terminate and such Financed Contract shall be reassigned, transferred, delivered and/or endorsed by the Portfolio Manager to Firstline or its respective assigns, without recourse and without warranty.

SECTION 14. RIGHT OF AUDIT. Each Participant shall have the right to audit the books, records and accounts of the Portfolio Manager and Firstline relating to the Financed Contracts, at any time during reasonable business hours and at such Participant's own expense.

SECTION 15. NOTICES. Any notice, request, instruction or other document deemed by any party necessary or desirable to be given to any other party shall be in writing and shall be mailed and addressed as follows:

TO TRUSTEE:

MCGINN SMITH CAPITAL HOLDINGS CORP.
Capital Center
99 Pine Street - 5th Floor
Albany, NY 12207
Telephone: (800) 724-3330
Telecopy: (518) 449-4894

TO SENIOR PARTICIPANT:

Firstline Sr. Trust 07 Series B
McGinn, Smith Capital Holdings Corp. Trustee
99 Pine Street - 5th Floor
Albany, NY 12207
Attn: Timothy M. McGinn, Chairman of the Board
Telephone: (800) 724-3330
Telecopy: (518) 449-4894

TO JUNIOR PARTICIPANT:

Firstline Trust 07 Series B
McGinn, Smith Capital Holdings Corp.. Trustee
99 Pine Street - 5th Floor
Albany, NY 12207
Attn: Timothy M. McGinn, Chairman of the Board
Telephone: (800) 724-3330
Telecopy: (518) 449-4894

TO PORTFOLIO MANAGER:

MCGINN SMITH FUNDING, LLC
Capital Center
99 Pine Street - 5th Floor
Albany, NY 12207
Telephone: (800) 724-3330
Telecopy: (518) 449-4894

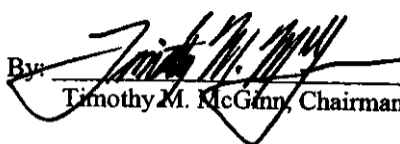
SECTION 17. ENTIRE AGREEMENT, ETC. This Agreement expresses the entire agreement of the parties hereto, and supersedes all prior promises, representations, understandings, arrangements and agreements between the parties with respect the subject matter herein. The parties hereto further acknowledge and agree that none of them have made any representations to induce the execution and delivery of the Agreement except those as specifically set forth herein.

SECTION 18. APPLICABLE LAW. This Agreement shall be governed and construed under the laws of the State of New York.

IN WITNESS WHEREOF, this Agreement has been duly executed as of the date first above written.

FIRSTLINE SR. TRUST 07 SERIES B

By: MCGINN SMITH CAPITAL HOLDINGS CORP., TRUSTEE

By: 
Timothy M. McGinn, Chairman

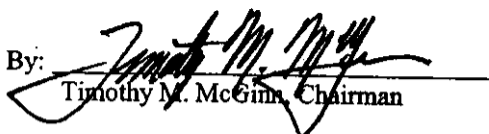
MCGINN, SMITH FUNDING LLC

By: 
David L. Smith, Member

By: 
Timothy M. McGinn, Member

FIRSTLINE TRUST 07 SERIES B

By: MCGINN SMITH CAPITAL HOLDINGS CORP., TRUSTEE

By: 
Timothy M. McGinn, Chairman

MCGINN, SMITH FUNDING LLC


By: 
Timothy M. McGinn, Member

EXHIBIT "A"

RESIDENTIAL MONITORING RECEIVABLE FINANCING AGREEMENT

EXHIBIT "B"

PAYMENTS TO SENIOR PARTICIPANT

Exhibit B

Firstline Trust 2007 Series B Senior Tranche

| Month | Payment Date | | Pledged RMR | Debt Service Schedule | Sr. Debt Begin Balance | 9.50% Interest | Principal Payments | Sr. Debt Total Debt Serv | Sr. Debt Ending Balance |
|-------|--------------|------|-------------|-----------------------|------------------------|----------------|--------------------|--------------------------|-------------------------|
| 1 | November | 2007 | \$165,000 | \$0 | \$1,435,000 | \$11,360 | \$0 | \$0 | \$1,435,000 |
| 2 | December | 2007 | \$165,000 | \$0 | \$1,435,000 | \$11,360 | \$0 | \$0 | \$1,435,000 |
| 3 | January | 2008 | \$165,000 | \$31,500 | \$1,435,000 | \$11,360 | \$752 | \$12,113 | \$1,434,248 |
| 4 | February | 2008 | \$165,000 | \$31,500 | \$1,434,248 | \$11,354 | \$758 | \$12,113 | \$1,433,490 |
| 5 | March | 2008 | \$165,000 | \$31,500 | \$1,433,490 | \$11,348 | \$764 | \$12,113 | \$1,432,726 |
| 6 | April | 2008 | \$165,000 | \$31,500 | \$1,432,726 | \$11,342 | \$770 | \$12,113 | \$1,431,956 |
| 7 | May | 2008 | \$165,000 | \$31,500 | \$1,431,956 | \$11,336 | \$776 | \$12,113 | \$1,431,180 |
| 8 | June | 2008 | \$165,000 | \$31,500 | \$1,431,180 | \$11,330 | \$782 | \$12,113 | \$1,430,397 |
| 9 | July | 2008 | \$165,000 | \$31,500 | \$1,430,397 | \$11,324 | \$789 | \$12,113 | \$1,429,609 |
| 10 | August | 2008 | \$165,000 | \$31,500 | \$1,429,609 | \$11,318 | \$795 | \$12,113 | \$1,428,814 |
| 11 | September | 2008 | \$165,000 | \$31,500 | \$1,428,814 | \$11,311 | \$801 | \$12,113 | \$1,428,013 |
| 12 | October | 2008 | \$165,000 | \$31,500 | \$1,428,013 | \$11,305 | \$807 | \$12,113 | \$1,427,206 |
| 13 | November | 2008 | \$165,000 | \$31,500 | \$1,427,206 | \$11,299 | \$814 | \$12,113 | \$1,426,392 |
| 14 | December | 2008 | \$165,000 | \$31,500 | \$1,426,392 | \$11,292 | \$820 | \$12,113 | \$1,425,571 |
| 15 | January | 2009 | \$165,000 | \$31,500 | \$1,425,571 | \$11,286 | \$827 | \$12,113 | \$1,424,745 |
| 16 | February | 2009 | \$165,000 | \$31,500 | \$1,424,745 | \$11,279 | \$833 | \$12,113 | \$1,423,911 |
| 17 | March | 2009 | \$165,000 | \$31,500 | \$1,423,911 | \$11,273 | \$840 | \$12,113 | \$1,423,072 |
| 18 | April | 2009 | \$165,000 | \$31,500 | \$1,423,072 | \$11,266 | \$847 | \$12,113 | \$1,422,225 |
| 19 | May | 2009 | \$165,000 | \$31,500 | \$1,422,225 | \$11,259 | \$853 | \$12,113 | \$1,421,372 |
| 20 | June | 2009 | \$165,000 | \$31,500 | \$1,421,372 | \$11,253 | \$860 | \$12,113 | \$1,420,512 |
| 21 | July | 2009 | \$165,000 | \$31,500 | \$1,420,512 | \$11,246 | \$867 | \$12,113 | \$1,419,645 |
| 22 | August | 2009 | \$165,000 | \$31,500 | \$1,419,645 | \$11,239 | \$874 | \$12,113 | \$1,418,771 |
| 23 | September | 2009 | \$165,000 | \$31,500 | \$1,418,771 | \$11,232 | \$881 | \$12,113 | \$1,417,891 |
| 24 | October | 2009 | \$165,000 | \$31,500 | \$1,417,891 | \$11,225 | \$888 | \$12,113 | \$1,417,003 |
| 25 | November | 2009 | \$165,000 | \$53,625 | \$1,417,003 | \$11,218 | \$23,020 | \$34,238 | \$1,393,984 |
| 26 | December | 2009 | \$165,000 | \$53,625 | \$1,393,984 | \$11,036 | \$23,202 | \$34,238 | \$1,370,782 |
| 27 | January | 2010 | \$165,000 | \$53,625 | \$1,370,782 | \$10,852 | \$23,385 | \$34,238 | \$1,347,397 |
| 28 | February | 2010 | \$165,000 | \$53,625 | \$1,347,397 | \$10,667 | \$23,571 | \$34,238 | \$1,323,826 |
| 29 | March | 2010 | \$165,000 | \$82,500 | \$1,323,826 | \$10,480 | \$52,632 | \$63,113 | \$1,271,194 |
| 30 | April | 2010 | \$165,000 | \$82,500 | \$1,271,194 | \$10,064 | \$53,049 | \$63,113 | \$1,218,145 |
| 31 | May | 2010 | \$165,000 | \$82,500 | \$1,218,145 | \$9,644 | \$53,469 | \$63,113 | \$1,164,676 |
| 32 | June | 2010 | \$165,000 | \$82,500 | \$1,164,676 | \$9,220 | \$53,892 | \$63,113 | \$1,110,784 |
| 33 | July | 2010 | \$165,000 | \$82,500 | \$1,110,784 | \$8,794 | \$54,319 | \$63,113 | \$1,056,465 |
| 34 | August | 2010 | \$165,000 | \$82,500 | \$1,056,465 | \$8,364 | \$54,749 | \$63,113 | \$1,001,716 |
| 35 | September | 2010 | \$165,000 | \$82,500 | \$1,001,716 | \$7,930 | \$55,182 | \$63,113 | \$946,534 |
| 36 | October | 2010 | \$165,000 | \$82,500 | \$946,534 | \$7,493 | \$55,619 | \$63,113 | \$890,915 |
| 37 | November | 2010 | \$165,000 | \$82,500 | \$890,915 | \$7,053 | \$56,059 | \$63,113 | \$834,855 |
| 38 | December | 2010 | \$165,000 | \$94,875 | \$834,855 | \$6,609 | \$68,878 | \$75,488 | \$765,977 |
| 39 | January | 2011 | \$165,000 | \$94,875 | \$765,977 | \$6,064 | \$69,424 | \$75,488 | \$696,554 |
| 40 | February | 2011 | \$165,000 | \$100,000 | \$696,554 | \$5,514 | \$75,098 | \$80,613 | \$621,456 |
| 41 | March | 2011 | \$165,000 | \$100,000 | \$621,456 | \$4,920 | \$75,693 | \$80,613 | \$545,763 |
| 42 | April | 2011 | \$165,000 | \$100,000 | \$545,763 | \$4,321 | \$76,292 | \$80,613 | \$469,471 |
| 43 | May | 2011 | \$160,000 | \$100,000 | \$469,471 | \$3,717 | \$76,896 | \$80,613 | \$392,575 |
| 44 | June | 2011 | \$155,000 | \$100,000 | \$392,575 | \$3,108 | \$77,505 | \$80,613 | \$315,071 |
| 45 | July | 2011 | \$150,000 | \$100,000 | \$315,071 | \$2,494 | \$78,118 | \$80,613 | \$236,952 |
| 46 | August | 2011 | \$145,000 | \$100,000 | \$236,952 | \$1,876 | \$78,737 | \$80,613 | \$158,216 |
| 47 | September | 2011 | \$140,000 | \$100,000 | \$158,216 | \$1,253 | \$79,360 | \$80,613 | \$78,856 |
| 48 | October | 2011 | \$135,000 | \$100,000 | \$78,856 | \$624 | \$78,856 | \$79,480 | \$0 |

EXHIBIT "B-1"

PAYMENTS TO JUNIOR PARTICIPANT

Exhibit B-1

Firstline Trust 2007 Series B Junior Tranche

| Month | Payment Date | | Jr. Debt Begin Balance | 11.00% Interest | Principal Payments | Total Debt Serv | Jr. Debt Ending Balance |
|-------|--------------|------|------------------------------|--------------------|-----------------------|--------------------|-------------------------------|
| 1 | November | 2007 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 2 | December | 2007 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 3 | January | 2008 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 4 | February | 2008 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 5 | March | 2008 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 6 | April | 2008 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 7 | May | 2008 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 8 | June | 2008 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 9 | July | 2008 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 10 | August | 2008 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 11 | September | 2008 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 12 | October | 2008 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 13 | November | 2008 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 14 | December | 2008 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 15 | January | 2009 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 16 | February | 2009 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 17 | March | 2009 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 18 | April | 2009 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 19 | May | 2009 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 20 | June | 2009 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 21 | July | 2009 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 22 | August | 2009 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 23 | September | 2009 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 24 | October | 2009 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 25 | November | 2009 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 26 | December | 2009 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 27 | January | 2010 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 28 | February | 2010 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 29 | March | 2010 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 30 | April | 2010 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 31 | May | 2010 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 32 | June | 2010 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 33 | July | 2010 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 34 | August | 2010 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 35 | September | 2010 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 36 | October | 2010 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 37 | November | 2010 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 38 | December | 2010 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 39 | January | 2011 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 40 | February | 2011 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 41 | March | 2011 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 42 | April | 2011 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 43 | May | 2011 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 44 | June | 2011 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 45 | July | 2011 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 46 | August | 2011 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 47 | September | 2011 | \$2,115,000 | \$19,388 | \$0 | \$19,388 | \$2,115,000 |
| 48 | October | 2011 | \$2,115,000 | \$19,388 | \$1,132 | \$20,520 | \$2,113,868 |
| 49 | November | 2011 | \$2,113,868 | \$19,377 | \$80,623 | \$100,000 | \$2,033,245 |
| 50 | December | 2011 | \$2,033,245 | \$18,638 | \$81,362 | \$100,000 | \$1,951,883 |
| 51 | January | 2012 | \$1,951,883 | \$17,892 | \$82,108 | \$100,000 | \$1,869,775 |
| 52 | February | 2012 | \$1,869,775 | \$17,140 | \$82,860 | \$100,000 | \$1,786,915 |
| 53 | March | 2012 | \$1,786,915 | \$16,380 | \$83,620 | \$100,000 | \$1,703,295 |
| 54 | April | 2012 | \$1,703,295 | \$15,614 | \$134,386 | \$150,000 | \$1,568,908 |
| 55 | May | 2012 | \$1,568,908 | \$14,382 | \$135,618 | \$150,000 | \$1,433,290 |
| 56 | June | 2012 | \$1,433,290 | \$13,138 | \$146,862 | \$160,000 | \$1,286,428 |
| 57 | July | 2012 | \$1,286,428 | \$11,792 | \$158,208 | \$170,000 | \$1,128,221 |
| 58 | August | 2012 | \$1,128,221 | \$10,342 | \$164,658 | \$175,000 | \$963,563 |
| 59 | September | 2012 | \$963,563 | \$8,833 | \$191,167 | \$200,000 | \$772,395 |
| 60 | October | 2012 | \$772,395 | \$7,080 | \$772,395 | \$779,476 | \$0 |

EXHIBIT "C"

DUE DILIGENCE DOCUMENTATION

[] PRELIMINARY SPONSOR INFORMATION:

[] Sample Contracts

[] CORPORATE DOCUMENTATION:

[] Certificate of Incorporation

[] Corporate By-Laws

[] State of Utah Certificate of Good Standing

[] Copy of General Liability Insurance Policy

[] Current UCC Searches, Judgment & Tax Lien Searches

[] Franchise Tax Search

[] Recent Financial Statement

EXHIBIT "D"

LOCKBOX AGREEMENT

Exhibit "F"

Lockbox Agreement



Manufacturers and Traders Trust Company



TREASURY MANAGEMENT SERVICES AGREEMENT

| | | | |
|--------------|------------------------|---------|--------------|
| Client Name | James J. McGinnis, Sr. | Address | 14203-1495 |
| Contact Name | Mr. McGinnis | Phone | 800-724-2240 |
| Phone | 800-724-2240 | Fax | 800-724-2240 |

Bank: Manufacturers and Traders Trust Company, Treasury Management Services, Lafayette Court, 5th Floor, 465 Main Street, Buffalo, New York 14203-1495 Phone: 800-724-2240

The Client has requested the Bank to provide certain cash management services. This Agreement describes the rights and responsibilities of each party in regard to the services, and details the terms and conditions agreed upon. Further details appear in the documentation for each particular service and in the Bank's commercial deposit account documentation.

A. Client's General Agreements, Warranties and Indemnity.

1. **Services; Reliance.** This Agreement applies to all cash management services requested by the Client from time to time that are covered under a separate agreement between the Bank and the Client that incorporates therein by specific reference either the terms and provisions of this Agreement or a prior "Cash Management Services Agreement" between the Client and the Bank ("Prior Agreement"). All cash management services to which this Agreement applies are hereunder referred to as the "Services." This Agreement incorporates Exhibit A (which lists the Services requested as of the date of this Agreement), all other addenda, such as set-up sheets and separate agreements for particular Services ("Addenda," each an "Addendum"), each agreement for electronic services by which particular Services are made available to or may be accessed by the Client ("Electronic Services"), and the Bank's commercial deposit account documentation and general rules and regulations as amended from time to time. The Bank has agreed to provide the Services and Electronic Services in reliance on and in consideration of the Client's agreement to abide by the provisions of this Agreement.

2. **Fees and Expenses.** The Client agrees to pay on demand: (a) all applicable fees and charges for Services and Electronic Services rendered by the Bank, as set forth separately and amended from time to time at the discretion of the Bank; (b) all third-party liabilities and expenses incurred by the Bank in performing Services and Electronic Services for the Client pursuant to the Client's instructions; and (c) any costs incurred by the Bank in collecting fees or enforcing this Agreement, including, without limitation, attorneys' fees and disbursements, whether for internal or external counsel. The Bank shall notify the Client of any changes in the fees and charges applicable to the Services, including any new fees and charges not previously imposed, in such time and manner as determined by the Bank in its sole discretion, but no delay or failure on the part of the Bank to provide notice shall require the Bank to delay implementation of any charges made by it with respect to such fees and charges. The Bank is authorized to obtain payment by charging the Client's designated deposit account with the Bank, or if none is designated or funds are insufficient, any of Client's accounts; and if payment is not made, the Bank, in addition to its other remedies under applicable law and this Agreement, may exercise its right of offset and banker's lien against and liquidate any or all of the Client's property held by the Bank in any capacity.

3. **Authorizations.** The Client warrants, now and at all times during the term of this Agreement: (a) that the Client has the power and capacity to enter into: (i) this Agreement (ii) each Addendum and agreement for Electronic Services relating thereto, and (iii) each transaction relating to the Services or Electronic Services; and (b) that the Client and its representatives have been duly authorized to execute, deliver and perform this Agreement, each Addendum and agreement for Electronic Services and to engage in each transaction as directed by Client's representatives. The Client agrees to provide evidence of authorization upon request and to designate officers, employees or agents to perform separate functions as may be required to implement the Bank's security procedures for various Services or Electronic Services, where applicable.

4. **Compliance with Law.** The Client shall comply with all federal and state laws and regulations and international treaties and conventions applicable to the Client's business and its financial transactions, and shall provide the Bank with all documents and information the Bank may from time to time require to evidence such compliance. The Client will also cooperate fully with the Bank and provide such documents and information as the Bank may require in order to comply with all federal and state laws and regulations and international treaties and conventions applicable to the Bank.



5. Confidentiality. The Client will protect the Bank's proprietary information and the software required for the Client's use of the Services and the Electronic Services by restricting access only to the Client's own officers, employees and agents on a need-to-know basis, and protect the confidentiality of the Services, the Electronic Services and the Client's information and transactions ("Client's Data") with commercially reasonable security procedures. The Client will not copy or modify any Service, Electronic Service or software, hardware, documentation or codes related to any Service or Electronic Service or permit their use by any person for any purpose other than the Services or Electronic Services subscribed for.

6. Further Assurances. The Client agrees to execute, deliver and perform all other agreements required by vendors or other parties necessary to Services (such as sublicense agreements or postal authorizations) or requested by the Bank from time to time in connection with particular Services elected by the Client. In the event that Client fails to comply with this provision, the Bank may terminate this Agreement and any Services or Electronic Services in accordance with section D 2(c) hereof.

B. Security Procedures; Client's Assumption of Risks.

1. Commercially Reasonable Security Procedures. The Client agrees to cooperate with the Bank's protocols in establishing commercially reasonable security procedures to protect the accuracy and confidentiality of the Client's Data and to help guard against fraud and agrees to comply with such procedures. The Client acknowledges and agrees that the Client bears primary responsibility for maintaining the security at the Client's site and within its organization (including, but not limited to, computer systems), of all identification codes, personal identification numbers, passwords, testkeys, encryption devices and similar elements of security procedures, as well as access to information, documentation, procedures and software for Electronic Services. The Client understands that the Bank shall have no liability for losses resulting from failure to implement security procedures, breach of confidentiality, or any other breach of security procedures by the Client or any of its employees, officers, directors or agents.

2. Recording or Telephonic Instructions. The Client understands that any instructions received by the Bank by telephone may (but not need) be recorded for accuracy, and the Client consents to such recording.

3. Risks of Facsimile Transmission. The Client acknowledges that facsimile transmission is inherently insecure because of possible unintended results such as delay or error in telecommunications media outside the Bank, observation of receipt of facsimile by unauthorized personnel and tampering. If the Client elects to send or receive directions or information via facsimile in connection with any of the Services or Electronic Services, the Client assumes all risks of loss or disclosure resulting from such transmission.

4. Risks of Courier Losses. The Client assumes all risks of loss incurred while the Client's currency, coin, checks and other property is in transit in the custody and control of the Client or its agents, including, without limitation, armored-car and other couriers, or the United States postal service, and prior to counting and deposit in the Bank within the Bank premises, notwithstanding that the property may be intended to be delivered to the Bank in connection with a Service.

5. Risks to Official Check Stock. If the Client requests the Bank to entrust a third-party payroll or other servicer with stocks of official checks drawn on the Bank, the Client shall reimburse the Bank for all checks negotiated, whether or not authorized by the Client, and shall indemnify the Bank against any and all losses resulting from entrustment of the check stock to the Client or its agent. The Client's remedy shall be against the servicer.

6. Indemnity for Bank. The Client shall indemnify and hold harmless the Bank and its officers, directors and employees from and against any and all claims, losses, liabilities, damages, deficiencies, penalties, costs and expenses (including, without limitation, attorneys' fees and disbursements, whether for internal or external counsel) resulting from: (a) any breach by the Client of this Agreement or any other agreement with the Bank, or any misrepresentation, breach, inaccuracy or untruthfulness of any representation, warranty, covenant or agreement made or to be performed by the Client pursuant to this Agreement or any other agreement with the Bank or any other document or instrument contemplated hereby or thereby; (b) any negligence or willful misconduct of the Client; (c) incorrect or incomplete data or information furnished by or for the Client to the Bank; (d) any action taken by the Bank (i) at the direction of the Client or its agent, (ii) upon direction authenticated by any test key, password, personal identification code or other device or security procedure assigned to or chosen by the Client in connection with a Service or Electronic Service (unless the Bank has actual knowledge that the direction is unauthorized, or (iii) in accordance with the procedures set forth in the Addendum for a Service or in an agreement for Electronic Services; (e) any other cause resulting from the Bank's performance under this Agreement, other than Bank's gross negligence or willful misconduct.

C. The Bank's Duties and Limited Liability.

1. Support. The Bank will provide the Client with the documentation and software pertinent to the Services and Electronic Services subscribed for, assist with installation of restricted data bases and initial training of qualified users at the Client's premises, and instruct the Client in the proper use of the Services and Electronic Services and the security procedures for each Service and Electronic Service.

2. Reliance. The Bank may rely on all instructions that the Bank receives in connection with this Agreement and that the Bank in good faith believes to be valid. The Bank shall be entitled to rely on the apparent authority of any person certified as the Client's representative for cash management and shall have no duty to investigate the identity or authority of any Client or purported representative executing this or related agreements. The Bank may rely upon any instrument in writing believed by it to be genuine and sufficient when properly presented and the Bank shall not be liable or responsible for any action taken or omitted to be taken in accordance with the provisions thereof.

3. Disclosure of Client Information. The Bank will treat as confidential the Client's transactions, trade secrets and customer data which are not in the public domain; provided, however, that the Client acknowledges that the Bank may be required to disclose information concerning certain kinds of transactions under federal and State regulations and court order.

4. Standard Care. The Bank will use its best efforts to perform the Services and Electronic Services according to the standards and procedures customary in the industry. The Bank will have no duties to the Client other than those clearly stated in this Agreement, any Addendum, or agreement for Electronic Services and shall have no liability absent gross negligence or willful misconduct of the Bank.

5. Third-Party Vendors. The Client understands that the Bank may engage outside contractors to perform certain Services or Electronic Services and may as a convenience to the Client engage certain of those contractors on behalf of the Client to perform, as the Client's agent, one or more of the Client's obligations with respect to the Services or Electronic Services. As used in this Agreement, the "Bank" includes the Bank's agents, subcontractors, independent contractors and joint ventures in providing the Services or Electronic Services described to the Client but does not include agents acting for the Client.

6. Force Majeure. The Bank shall not be liable for any loss or delay resulting from any act or delay or failure to act caused by circumstances not within the Bank's control, including, without limitation, malfunction of electronic media, interruption of power supply or other utilities, fire, flood, ice, earthquake, explosion or other act of God, strike or stoppage of labor, industrial sabotage, war, insurrection, riot, act of terrorism, delays in the mail or courier service, delays in public funding, change of law, rule or governmental regulation or interpretation, court order, or the insolvency, unavailability or failure to act or delay in acting of any other bank or payment system, United States mail, express or armored courier, governmental agency or any other party necessary to a Service or an Electronic Service.

7. No Warranties. The Bank shall use its best efforts to provide the Services and Electronic Services in a timely manner but makes no representations or warranties of any kind in connection with either. Without limiting the foregoing, the Bank is not responsible for delays in the delivery of mail to or from the Bank, whether by the United States post office or express or armored courier, nor for any other delay caused by factors beyond the Bank's control.

8. Damages. IN NO EVENT WILL THE BANK BE LIABLE FOR SPECIAL, INCIDENTAL OR CONSEQUENTIAL LOSSES OR DAMAGES OF ANY KIND, WHETHER OR NOT THE BANK HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES. Compensation shall be limited to that provided by applicable law or regulation, or if none are applicable, shall be limited in amount to the actual amount paid or payable from the Client for the Service or Electronic Service on the occasion it was not provided.

D. Termination:

1. Termination by the Client. The Client may terminate this Agreement or a particular Service or an Electronic Service at any time by written notice to the Bank, effective on the later of (a) the earliest date required by the terms of an Addendum for each particular Service or an agreement for an Electronic Service, as applicable (if any is specified), or (b) the date on which the Bank shall have received and had a reasonable time to act on such notice. The Client shall remain liable for all applicable fees incurred prior to termination, for fees for actual Services and Electronic Services provided until the Bank has had time to act on such notice, and for all subscription, sublicense and maintenance charges throughout the month or other billing period in which the termination of each Service or Electronic Service occurs.

2. Termination by Bank. The Bank will generally provide at least 30 days' prior written notice of termination of this Agreement or of termination, modification or substitution of any Service or Electronic Service, but may terminate this Agreement as well as the Services and Electronic Services at any time (a) as required by a change in law, regulation or governmental interpretation, or by court order; (b) if in the sole discretion of the Bank, the Client's financial condition is impaired; or (c), in addition to other available remedies, if the Client should breach any provision of this Agreement, of any Addendum or of any agreement covering Electronic Services.

3. Survivals. The Client's obligations under A.2, A.5 and B.6 shall survive termination of this Agreement.

E. Miscellaneous.

1. Amendments. The Bank may amend this Agreement, any Addendum, and any agreement for Electronic Services at any time by written notice to the Client, in connection with operational and technological changes or changes in law, effective immediately if not adverse to the Client and otherwise 30 days after notice is given. Any other amendment must be executed by both parties.

2. Notices. Unless otherwise indicated in this Agreement, all notice contemplated by the terms and provisions of this Agreement shall be in writing. Notices to the Bank shall be delivered upon actual receipt by the Manager, Commercial Services, Lafayette Court, 5th Floor, 465 Main Street, Buffalo, NY 14203-1495. Notice to the Client shall be deemed delivered three days after deposit in the United States mail to the address given above, upon actual delivery by hand or by fax.

3. Entire Agreement. This Agreement replaces and supercedes any Prior Agreement, except that, to the extent that the Client obtained and continues to use one or more Services pursuant to Section II of a Prior Agreement entitled "Provisions Specifically Relevant to Certain Services," such Section II shall remain in effect and, together with this Agreement and the documents described below in this Section E3, shall govern the provisions of such Services. This Agreement together with the Addendum for each Service, any agreement for Electronic Services, the Bank's commercial deposit account documentation and fees schedules and Section II of any executed Prior Agreement, as

amended from time to time, is the entire agreement concerning the Services and Electronic Services. In the event of any inconsistencies between the terms and provisions of this Agreement and the terms and provisions of any Addendum, the Addendum shall govern and control. In the event of any inconsistencies between the terms and provisions of this Agreement and the terms and provisions of any agreement for Electronic Services, the agreement for Electronic Services shall govern and control. In the event of any inconsistencies between the terms and provisions of any Addendum and the terms and provisions of any agreement for Electronic Services, the terms and provisions of the agreement for Electronic Services shall govern and control in regard to matters that relate to the Electronic Services provided for therein, but the terms and provisions of the Addendum shall govern and control with respect to all other matters. If any provision is determined by a court of competent jurisdiction to be invalid, the provisions shall be deemed amended to the extent necessary to be valid, and all other provisions shall remain in effect. No failure, partial exercise or delay by the Bank in exercising any of its rights or remedies shall constitute a waiver of any of them or require notice for subsequent exercise at any time of any of its rights or remedies. Captions are for convenience only and not part of the substance of this Agreement.





4. Assignment; Binding Effect. The Client's rights under this Agreement can be assigned only with the Bank's prior written consent. This and all related agreements with the Bank shall be binding obligations of the Client and its successors and assigns and shall inure to the benefit of the Bank and its successors and assigns. No third party shall be a beneficiary of this Agreement.

5. Effective Date. This Agreement shall be effective on the date it is accepted by the Bank.

6. Governing Law. Any legal question concerning a Service or an Electronic Service or otherwise arising under or relating to this Agreement, any Addendum or any agreement with respect to Electronic Services shall be decided in accordance with the law of the state or other jurisdiction that, as provided for in the Bank's commercial deposit account documentation, governs questions of law pertaining to the Client's account with respect to which the Service or Electronic Service relates, without regard to such state's or other jurisdiction's principles of conflicts of law, and, to the extent applicable, federal law.

7. Venue, Notice of Errors and Dispute Resolution. The Bank and the Client hereby irrevocably agree that any legal action or formal dispute resolution (e.g., arbitration) relating to this Agreement, any Addendum or any agreement for Electronic Services, (a) may only be brought and maintained in the largest metropolitan city in a county where the Bank's branch at which any account of the Client is maintained, without regard as to whether the legal action or formal dispute resolution relates to a matter involving such account, and (b) shall be subject to the notice of suspected error provisions and the dispute resolution provisions in the Bank's commercial deposit account documentation, as amended from time to time.

8. Waiver of Trial by Jury. THE CLIENT AND THE BANK EACH WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING IN CONNECTION WITH THIS AGREEMENT.

| | |
|---|--|
| CLIENT  Author/Print Signature  Printed Name and Title Date: <u>Oct 16, 2007</u> | |
| MANUFACTURERS AND TRADERS TRUST COMPANY:  Bank Officer Signature  Printed Name and Title Date: <u>10/18/07</u> | |

FOR M&T BANK USE ONLY:

Authorization Confirmed: Patty Cleveland

EXHIBIT A
To
TREASURY MANAGEMENT SERVICES AGREEMENT

Services Selected by: _____

CLIENT: *James M. My*

By: *Charmaw*

Title

Date: *Oct. 12, 2007*



Manufacturers and Traders Trust Company

**LOCKBOX SERVICE AGREEMENT**

| | | |
|-------------------|---------------------|-----------------------|
| Client Legal Name | First Line | St. Trust 07 Series |
| Address | 22 Pine Street | Albany, New York |
| Contact Name | Timothy J. McGinnis | Chairman of the Board |
| Phone | 518-449-5131 | Fax 518-449-5131 |

Bank: Manufacturers and Traders Trust Company, Treasury Management Services, Lafayette Court, 5th Floor, 465 Main Street, Buffalo, New York 14203-1495 Phone: 800-724-2240

This Lockbox Service Agreement (the "Agreement") is made as of the date set forth below by and between the Client and MANUFACTURERS AND TRADERS TRUST COMPANY (the "Bank") and shall become effective as of the Effective Date described below. The Client has requested that the Bank perform certain lockbox remittance processing services for the Client (the "Services") in connection with such checking account or accounts maintained by the Client with the Bank as are designated from time to time by Client for the deposit of Client's receivables on Lockbox Service Set Up Forms on file with the Bank (individually and collectively, the "Account"), and, the Bank is willing to perform such Services. Accordingly, in consideration of the foregoing premises and the promises and agreements set forth herein, the Client and the Bank agree as follows:

1. Treasury Management Services Agreement. This Agreement is incorporated as an Addendum to the Client's Treasury Management Services Agreement or Cash Management Services Agreement with the Bank, as applicable, the terms and provisions of which shall apply to the Services provided to the Client hereunder, except to the extent such terms and provisions may be inconsistent with the terms and provisions of this Agreement, in which case the terms and provisions of this Agreement will govern and control.

2. Lockbox Processing

(a) Client shall cause its receivables to be mailed to the U.S. Post Office Box specified by the Bank ("Post Office Box") or delivered by Client (or a delivery agent designated in writing by Client) to the Bank location specified by the Bank. The Bank will retrieve and accept mail addressed to Client from such Post Office Box or Bank location. In accordance with this Agreement and the specifications agreed to in writing by the Bank and Client, the Bank will open and process such mail and deposit all apparently negotiable checks contained therein into the Account. Client hereby authorizes the Bank to: (i) have unrestricted and exclusive access to the Post Office Box, (ii) open and process mail addressed to Client, and (iii) endorse each check with a standard lockbox endorsement used by the Bank (e.g., "for credit to within named payee M&T Bank lockbox" or "credited to payee without prejudice and all rights reserved; absence of endorsement guaranteed at M&T Bank"). The Bank will deliver all checks that it deems unsuitable for deposit to Client instead of depositing them into the Account. Client agrees not to provide its account debtors with "postage paid" envelopes for use in connection with its lockbox service. Client will reimburse the Bank for all postage due on any remittance.

(b) The Bank shall not be responsible or liable for identifying or failing to identify stale-dated and post-dated checks or checks specifying "payment in full" (or similar statements) in Client's mail. Client acknowledges that if checks specifying "payment in full" (or similar statements) are negotiated, there is a risk that a court might hold the debt at issue to have been discharged by accord and satisfaction notwithstanding any endorsement that purports to reserve the payee's rights. Client understands and agrees that the Bank makes no representation or warranty that it will apply an endorsement designed to preserve Client's rights to collect the full amount owed or that any endorsement that applies to an item will in fact preserve Client's right to collect the full amount owed. Client assumes all risks consequent to the negotiation of such items.

(c) Client hereby agrees that the Bank is not a bailee of any check prior to the inventorying of mail in the Bank's lockbox operations area and that no debtor-creditor relationship arises between Client and the Bank with respect to any check until the check has been sorted and separated from unacceptable checks, processed by the Bank as a deposit to the Account, and reflected in a record of deposit on Client's behalf. If Client is a municipal corporation, Client acknowledges and agrees that the Bank is acting under this Agreement solely as a depository and is not an agent for the collection of taxes.

M&T Bank Internal Use

Alt/Neg



Lockbox Service Agreement - 0607

(d) If Client's mail includes checks that are payable or endorsed to a party other than Client ("Third Party Payee"), Client represents and warrants to the Bank that: (a) Client has obtained written authorization from each Third Party Payee for the Bank to endorse such Third Party Payee's checks as payable to Client and to deposit such items into the Account; (b) such Third Party Payee authorization includes an assignment to Client of all of the Third Party Payee's right, title and interest in and to each of such Third Party Payee's checks; (c) Client will retain a copy of each such Third Party Payee authorization for at least seven years after the termination of this Agreement and will provide a copy of any such authorization to the Bank upon request; and (d) each such Third Party Payee authorization shall be in effect and fully operative at all times that the Bank provides Services under this Agreement with respect to checks payable to such Third Party Payee.

3. Post Termination Delivery. For two months following termination of this Agreement, the Bank will deliver to Client at least once each week any mail that it receives addressed to Client. Except as provided in this section 3 or as the Bank may separately agree, after termination of this Agreement, the Bank reserves the right to return to the sender any mail addressed to Client.

4. Electronic Services. If the Client has subscribed to the Bank's Image Lockbox Service, the Services shall also include the Electronic Services (as defined below) which shall be provided to Client subject to and in accordance with the terms and provisions of the Bank's Electronic Services Agreement, and, additionally, the following terms and provisions will apply to the Services provided hereunder:

(a) The Bank will endeavor to capture images of all checks deposited into the Account and all other documents contained in Client's mail (except checks deemed unsuitable for deposit) as requested by Client on a Lockbox Service Set Up Form, provided such checks and documents meet the Bank's imaging specifications (e.g., minimum and maximum size limitations). In accordance with Client's instructions provided on a Lockbox Service Set Up Form, the Bank will either send envelopes, invoices, correspondence and other documents contained in Client's mail to Client, or will retain such documents for fourteen (14) days from the date of their receipt, after which time, the Bank will destroy such documents.

(b) The Bank shall Deliver the Lockbox Data via Electronic Services provided through the Internet ("Web Delivery"), Media ("Media Delivery") or Direct Transmission ("Direct Delivery") in accordance with the frequency, schedule and Client instructions contained on a Lockbox Service Set Up Form on file and in effect with the Bank. Client shall notify the Bank in writing of any problems with the quality and integrity of the Lockbox Data within five (5) Business Days from the date of Delivery. Upon receipt of such notice, the Bank shall re-Deliver the Lockbox Data to Client.

(c) If there shall be any conflict between the terms and provisions of this Agreement and the terms and provisions of the Electronic Services Agreement in regard to the Electronic Services, the terms and provisions of the Electronic Services Agreement shall govern and control. If any such conflict relates to any other matter, the terms and provisions of this Agreement shall govern and control.

(d) As used in this section 4, the following terms have the following meanings:



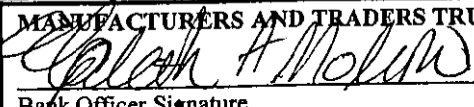

- (i) "Business Day" means any day occurring Monday through Friday, except federal holidays and any other days on which commercial banks in the State of New York are authorized to close.
- (ii) "Client Systems" means the applicable computer hardware, Internet browser, software, Internet access and/or communication facilities needed to use the Electronic Services.
- (iii) "Deliver" and "Delivery" means (A) with respect to Web Delivery, that the Lockbox Data is available for viewing by the Client when the Client connects to the Bank's designated web site through the Internet; (B) with respect to Media Delivery, that the Media containing the Lockbox Data is mailed by U.S. first class mail to the address designated on a Lockbox Service Set Up Form; and (C) with respect to Direct Delivery, that the Lockbox Data has been sent to the Client Systems in accordance with a Lockbox Service Set Up Form via Direct Transmission.
- (iv) "Direct Transmission" means a file transfer protocol acceptable to the Bank through which data may be transmitted over the Internet or leased line by the Bank.
- (v) "Electronic Services" means the electronic cash management services to capture the images of the source documents constituting the Lockbox Data and to Deliver the Lockbox Data to the Client.
- (vi) "Lockbox Data" means electronic images of all checks and other documents contained in the Client's mail that the Bank captures pursuant to this Agreement and the Electronic Services Agreement.
- (vii) "Media" means the CD-Rom media used to Deliver the Lockbox Data to the Client or such other media that the Bank may make available for this purpose in the future (e.g., DVD).

5. Correction of Errors. The Bank's sole responsibility to Client for an error caused by the Bank in performing the Services shall be to process a correcting entry in the next regularly scheduled processing of Client's work after the Bank has received timely notice of such error and had a reasonable opportunity to research and resolve the error. If Client fails to notify the Bank of any error alleged to have been made by the Bank, the Bank shall have no obligation to Client to take any action with respect to such error.

6. Termination. Any provisions contained in the Treasury Management Services Agreement (or Cash Management Services Agreement) between the Client and the Bank that may be to the contrary notwithstanding, this Agreement shall remain in effect until terminated by either party upon forty-five (45) days prior written notice to the other party; provided, however, the Bank may terminate this Agreement, without prior notice: (a) if required to do so by law, regulation or a bank regulatory authority; (b) upon Client's material breach hereof; (c) if it is permitted to do so under the terms of this Agreement or under the terms of the Cash Management Services Agreement between the Client and the Bank; (d) if the Account is closed for any reason; or (e) if the Client (i) is dissolved, becomes insolvent, generally fails to pay or admits its inability to pay its debts as they become due; (ii) makes a general assignment, arrangement or composition agreement

with or for the benefit of its creditors; or (iii) files a petition in bankruptcy or similar official procedure for the windup of its business (or has such a petition or action filed against it and such petition or action is not dismissed or stayed within forty-five (45) days of the filing).

7. Effective Date. This Agreement shall be generally effective as of the date of its execution. However, Services shall not commence until the date that the Bank has received and had a reasonable opportunity to act upon all information and instructions from the Client that the Bank may require.

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| CLIENT  Authorized Signature  Printed Name and Title Date: <u>Oct. 12, 2007</u> | |
| MANUFACTURERS AND TRADERS TRUST COMPANY:  Bank Officer Signature  Printed Name and Title Date: <u>10/18/07</u> | |

FOR M&T BANK USE ONLY:

Authorization Confirmed: Patty Cleveland