

Kilgore Insurance

33 Centennial Drive at Centennial Square
Peabody, MA 01960

July 10, 2008

(978) 531-6550

Boynton Waldron Doleac
Woodman & Scott, P.A.
P.O. Box 418
82 Court Street
Portsmouth, NH 03802

JUL 1 X 2008

FAX (978) 531-9442

LEONARD B. KILGORE
(1919-1998)
JEFFREY B. KILGORE
CYRUS A. KILGORE

Dear Mr. Grant:

Please accept this letter from Kilgore Insurance and Mr. Crowther in response to your "30 day-93A demand letter" date June 12, 2008 and June 18, 2008. Please do not construe our response to infer we believe your letters meet your burdens under MGL 93A: to the contrary, it is our contention your letter fails to comply with your notice provisions and fails to make claim under 93A.

In reviewing your correspondence, it is our sense you fail to appreciate insurance was placed for Madison in the surplus market; your assertions seem better suited to apply to principles regulating standard markets. In any event, we are uncertain by what you meant when you asserted you uncovered a business practice; therefore, let us be succinct in explaining to you our business practice in placing surplus business: when we are seeking to provide insurance for these risky accounts, we attempt to find insurance for our customers at a bottom line price that is less than our competition. We did this in this situation. Madison was, of course, free to place insurance with other brokers, which, as you know, it ultimately did. In fact, we're pleased Madison exercised its rights under a free and unregulated market.

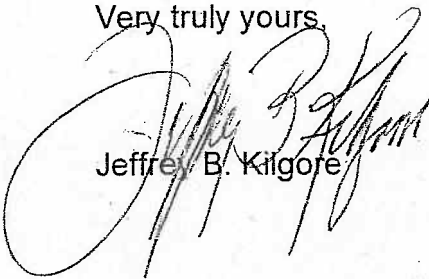
Much like the field of unregulated attorney fees, fees and commissions in surplus market are not regulated. If you have authority to the contrary, we'd appreciate an opportunity to review that law. You are, however, correct in concluding that unless asked otherwise, when we communicate the cost of insurance to our customers, we do not break-down items of fees, premium surplus taxes, inspection costs, etc. Neither do we explain how we factor in the risk we assume to our loss ratio by placing the business. We simply provide a bottom line cost we are willing to accept to place and service the business. (By the way, I noticed the attachments to your June 12th letter were not the documents we provided to Madison. Those were net quotes to us not Madison.) However, as your client correctly learned, it is also our business practice to promptly provide a full accounting of all costs, fees, etc., upon request. Madison made that request, and it was provided with that accounting.

July 10, 2008

Another business practice we have, which we offered to Madison, is we reimburse our customers if they are dissatisfied with our service. We believe this goes beyond any standard the law would apply. Apparently this offer has been rejected. In any event, we stand ready to explain to any trier of fact the surplus market, the risks involved, the unregulated nature of that market, our bottom line billing practice combined with a full accounting upon request. Additionally, we do not waive any per-se violations your client may have committed.

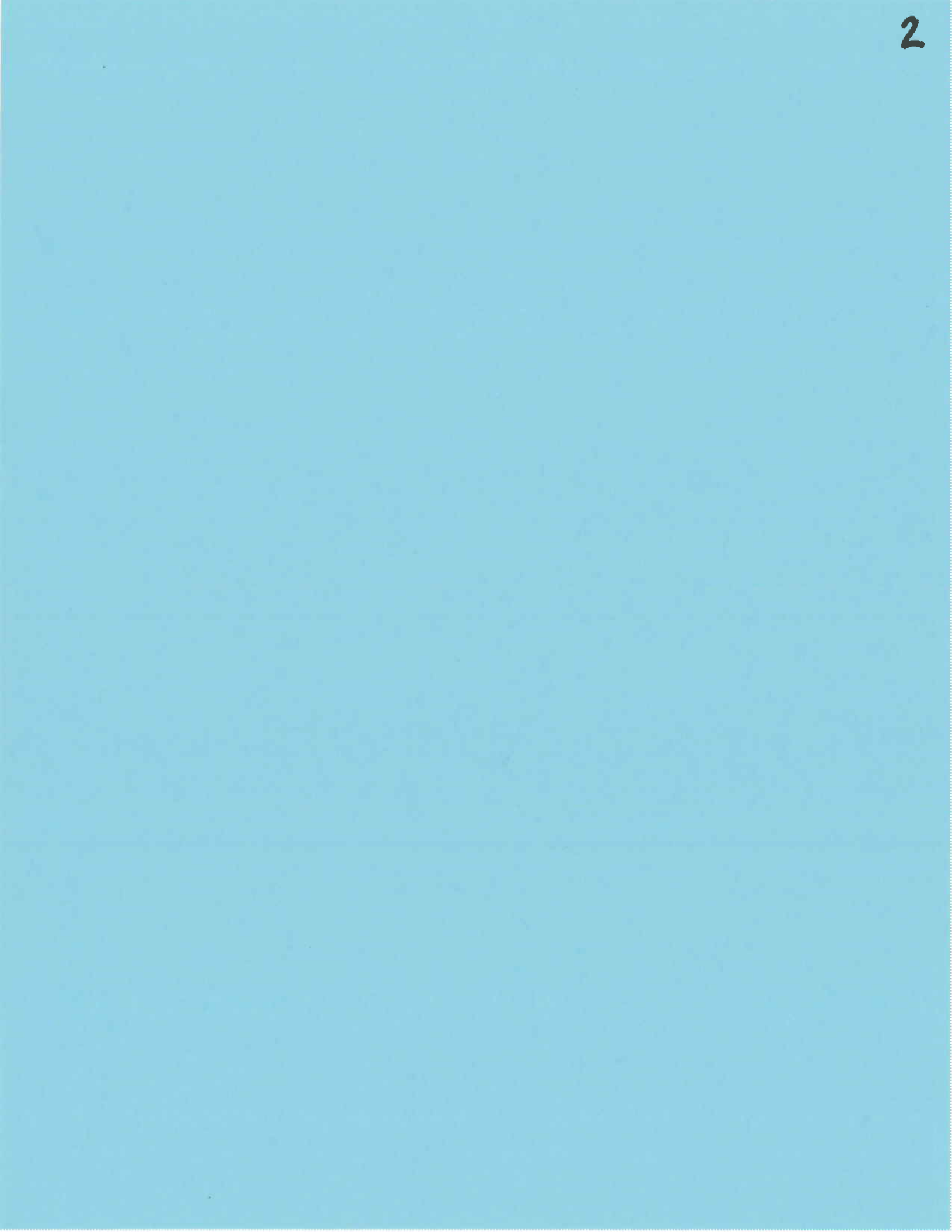
With regards to your contentions the payroll was misrepresented, we can explain that it was not, with documentation that supports this. We used the information provided by your client.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Jeffrey B. Kilgore", is written over the typed name. The signature is stylized with a large, looping initial "J".

Jeffrey B. Kilgore

JBK/kb



Cy Kilgore

From: "Cy Kilgore" <cykilgore@onceanddone.com>
To: <yvonne.torres@state.ma.us>
Sent: Tuesday, November 09, 2004 9:28 AM
Subject: net polices

dear ms Torres, I was given your e-mail after coming in to your office on monday as I would like to no when I deal with surplus ins. companies that present quotes on a net commission base what are the regulation controlling the amount of commission I can charge. My question does not relate to discloser because obviously i would give full discloser. If there is a regulation on this could you please provide me with a copy. thanks for your help on this matter, Sincerely cy kilgore

000675

11/9/04

REDACTED

-----Original Message-----

From: Kathy [mailto:kathyburke@onceanddone.com]

Sent: Thursday, August 30, 2007 10:47 AM

To: Kim Potavin

Subject: American Service

Kim-

Please review the following G/L & Umbrella submission and provide quote.

We have not marketed this to any other carrier; looking for target date to deliver proposal of 09/10

Kathy @ Kilgore Insurance

Kim Potavin

From: Lisa DiCenso [lisadicenso@onceanddone.com]
Sent: Friday, March 21, 2008 11:33 AM
To: Kim Potavin
Cc: Andrew Crowther
Subject: Fw: Security, III

Hi Kim,

Andy asked that I respond to the questions regarding the above referenced insured.

No,, we are not submitting an application to any other carrier.

I am in the process of obtaining the addresses for the residential properties you listed and will forward this information upon receipt.

Thank you

Lisa DiCenso
Commercial Lines
Kilgore Insurance Group
33 Centennial Dr
Peabody, MA 01960
978-531-6550
978-531-9442 fax
lisadicenso@onceanddone.com

----- Original Message -----

From: Andrew Crowther
To: Lisa DiCenso
Sent: Friday, March 21, 2008 10:01 AM
Subject: Fw: Security, III

Andrew W. Crowther, CIC
Kilgore Insurance Group
33 Centennial Drive
Peabody, MA 01960

Phone: 978-531-6550 x241
Fax: 978-531-9442
E-mail: andrewcrowther@onceanddone.com

----- Original Message -----

From: Kim Potavin
To: 'Andrew Crowther'
Sent: Thursday, March 20, 2008 6:30 PM
Subject: Security, III

3/24/2008

Hi Andy,

Thanks for the renewal app for the above caption. Are you or the insured submitting this to any other insurance carriers besides us this year for a quote?

One additional item is needed to quote the renewal:

It appears as though a couple of the residential properties have changed from last year:

We need the complete addresses for:
Hemingway Realty Trust and Mission Hill Neighbors.

Once this is received I will be able to send renewal quote to you.

I will be out of the office tomorrow, however please feel free to contact me on Monday.

Thanks!

Kim

Kim Potavin
Account Manager
The Mechanic Group Inc.
One Blue Hill Plaza, Ste 530
Pearl River, NY 10965
p. 800 214 0207 ext. 115
f. 845 735 8383
e. kpotavin@mechanicgroup.com
w. www.mechanicgroup.com

Notice : Coverage descriptions (if any) included in this email are abbreviated. Coverage referenced is subject to all terms, conditions, limitations and exclusions of the applicable policy(ies). If there is any conflict between a coverage statements made in this email and the applicable insurance policy (ies), the policy provision will prevail.

Confidentiality Notice- The information contained in this electronic mail is privileged and confidential and is intended for the use of the individual or entity named above. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copy of this electronic mail is strictly prohibited. If you have received this electronic mail in error, please immediately notify the sender and delete all copies.

3/24/2008

SURPLUS SERVICES
INSURANCE AGENCY, INC. -CORRESPONDENTS AT LLOYDS
150 WELLS AVENUE, NEWTON, MA 02159 TEL (617)964-5340
FAX (617) 964-3256
1-800-852-3077 - MASSACHUSETTS ONLY

****THIS IS NOT A BINDER OF INSURANCE****

ATTN: ANDY CROWTHER

DATE: JULY 22,2002

TO: KILGORE INSURANCE AGENCY

WE ARE PLEASED TO OFFER THE FOLLOWING
QUOTATION/INDICATION SUBJECT TO THE RATES AND
CONDITIONS AS DETAILED BELOW.

INSURED: NEW WORLD SECURITY ASSOCIATES, INC.

MAILING ADDRESS: 530 WARREN STREET, ROXBURY, MA. 02121

LOCATION: VARIOUS

FORM OF COVERAGE: UMBRELLA

LIMITS OF LIABILITY: \$5,000,000 EXCESS OF PRIMARY.

SIR: \$10,000.

PREMIUM: \$26,000.00 25 % MINIMUM EARNED PREMIUM.

TERM: ONE YEAR

*PLEASE READ THE TERMS AND CONDITIONS CAREFULLY.
THIS QUOTE MAY NOT COMPLY WITH ALL THE
CONDITIONS, TERMS OR COVERAGE REQUESTED.

*****SPECIAL CONDITIONS: NO FLAT CANCELLATIONS
PERMITTED*****

THE FOLLOWING EXCLUSIONS ARE INCLUDED IN THE
UMBRELLA COVERAGE PART:
ASBESTOS, EMPLOYMENT RELATED PRACTICES, UNINSURED
/ UNDERINSURED MOTORISTS, LEAD CONTAMINATION,
NUCLEAR ENERGY, POLLUTION, CCC AND ERISA.

ENDORSEMENTS - PLUS APPLICABLE STATE ENDORSEMENTS
AUTOMOBILE LIABILITY LIMITATION.
CONTRACTUAL LIABILITY LIMITATION.
DESIGNATED ENDORSEMENT: ORGANIC PATHOGEN
EXCLUSION.
MINIMUM EARNED PREMIUM.
TERRORIST EXCLUSION.
PUNITIVE DAMAGE ENDORSEMENT.
PROFESSIONAL LIABILITY LIMITATION.
SERVICE OF SUIT ENDORSEMENT.
TOTAL POLLUTION EXCLUSION.
KNOWN INJURY OR DAMAGE EXCLUSION.
UNIMPAIRED AGGREGATE LIMITS ENDORSEMENT.

COMMENTS / OTHER TERMS:
U/L GL AT 1MIL / 2MIL PER PROJECT AGGREGATE.
U/L AL AT 1MIL CSL.
U/L EL AT 500/500/500.

COMPANY REQUIRES THAT APPLICATION BE COMPLETED,
DATED AND SIGNED BY APPLICANT PRIOR TO BINDING.

COMPANY REQUIRES COMPLETE COPIES OF ALL UNDERLYING
POLICIES AND ENDORSEMENTS, IF WRITTEN.

LOSS RUNS STILL DID NOT COME OUT CLEAR ON THE FAX
MACHINE, COMPANY MUST HAVE GENERAL LIABILITY,
AUTOMOBILE LOSSES AGGREGATED BY YEAR FROM JUNE 21,
1998 TO PRESENT PRIOR TO BINDING.

COMPANY: SCOTTSDALE INSURANCE COMPANY

STATE TAX: 4 % FILING FEE: N/A INSPECTION FEE: N/A

COMMISSION: 10 %

THIS QUOTATION SHALL IN NO EVENT BE VALID BEYOND
JULY 31,2002.

VIN GOVONI EXT 620



The Mechanic Group, Inc.
One Blue Hill Plaza - Suite #530
Post Office Box #1646
Pearl River, New York 10985-8646
Toll Free: 800-214-0207
Telephone: 845-735-0700
Facsimile: 845-735-8383
www.mechanicgroup.com

Primary Commercial General Liability Insurance Proposal Prepared for:
Security III, Inc.

Quote Date: 4/9/2007
Quote No: 04/11/07-01
Quote valid for 30 days

Attention: Kilgore Insurance Agency

Company: Tudor Insurance Company

"A+" Rated by A.M. Best's Underwriting Guide
A Member Company of Western World Insurance Group
Excess and Surplus Lines Carrier

Policy Period: April 11, 2007 through April 11, 2008

Policy Form: Occurrence

Limits:	General Aggregate	3,000,000
	Products & Completed Operations Aggregate	Included
	Each Occurrence	1,000,000
	Personal and Advertising Injury (each occurrence)	1,000,000
	Fire Damage (any one fire)	100,000
	Medical Payments (any one person)	1,000

Policy Highlights:	240-001 (11/06)	Errors & Omissions
	240-002 (10/04)	Blanket Additional Insureds
	240-004BP (09/05)	Assault and Battery
	240-004PA (09/05)	Personal Injury Extension
	240-005 (09/05)	Emergency Medical Malpractice
	240-006 (09/05)	Knowledge of Occurrence
	240-009 (09/05)	Mobile Equipment Extension
	240-011 (09/05)	Theft Extension Endorsement
	240-015 (09/05)	Contractual Liability Limitation
	240-030 (09/05)	Lost Key Extension
	CG 00 01 (07/98)	General Liability
	240-003A (09/05)	Broad Form Property Damage

Optional Coverage:

Per Project Aggregate

Waiver Of Subrogation - \$250 per request
Employers' Liability (Stop Gap) - \$500,000 Each
Employee / Accident
Hired Auto And Non-Owned Auto Liability - subject
to underwriting and additional premium

Airport Limitation - coverage for named airports, no
screening or transport on mobile equip./wheelchairs
Additional Insured - CG 2010 \$250 per request
Employment Benefits Liability - subject to underwriting
and additional premium

(These coverages are
available but are NOT
included in the quote)

Primary Commercial General Liability Insurance Proposal Prepared for:

Security III, Inc.

Policy Exclusions

Bars, Nightclubs, & Taverns (non alarm only); Employment Related Practices; Fungi or Bacteria; New Entities; Securities & Financial Interest; Territory Limitation, Standard ISO Exclusions; Total Pollution with hostile fire exception; Total Asbestos; War or Terrorism; Lead Contamination; Airport; Canine; Punitive & Exemplary Damages.

Class Code	Description	Rate	Exposure	Expos Type	Deductible(*)
98751	Security and Patrol Agencies	51.260	\$210,000	Payroll	\$1,000

(*) Deductible Per claim, defense & investigative expenses included

Premiums	Without Certified Terrorism Endorsement	With Certified Terrorism Endorsement
Standard Premium:	\$10,765.00	\$11,842.00
Optional Coverage:	\$.00	\$.00
Annual Premium:	\$10,765.00	\$11,842.00
State Tax:	\$430.60	\$473.68
Stamping Fees:	\$.00	\$.00
Processing & Filing Fee:	\$250.00	\$250.00
Total Premium:	\$11,445.60	\$12,565.68
Commission:	\$1,076.50	\$1,184.20
Net Premium Due:	\$10,369.10	\$11,381.48

Estimated Annual Premium
subject to Audit

Conditions to Bind:

- ☐ Signed and Dated Mechanic Group Application – must be signed by an owner or principal
- ☐ Five Year Currently Valued Loss Runs
- ☒ Certified Terrorism Disclosure - signed by the applicant, indicating acceptance or rejection of coverage
- ☒ State Surplus Lines Forms (if applicable)
- ☐
- ☐

If proposal is acceptable, please sign below and return to our office (fax: 845-735-8383)

Signature

Date

The proposal of coverage herein is only illustrative and is not intended as a policy of insurance, binder or statement of coverage of any policy of insurance. In every instance, the policy is the only accepted statement of coverage. This is not a binder or confirmation of insurance. I acknowledge that corporations or individuals insured by surplus lines carriers do not have the protection of individual state insurance guarantee acts to the extent of any right of recovery of the obligation of an insolvent carrier. The Mechanic Group will be held harmless for any damages arising out of the failure of the carrier to fulfill any of its obligations. In addition, The Mechanic Group, Inc. performs substantial services in connection with this policy. These services include but are not limited to procurement of original policies and certificates, negotiations of classifications, rates and premiums; filing of paperwork required by regulatory agencies; assistance in claims processing and handling; assistance in billing and payment matters. In view of the above, it is necessary for The Mechanic Group, Inc. to charge the processing fee shown. By signing this memorandum, you agree to pay this processing fee at policy inception. Please note that this quote is based on the coverage, terms and conditions listed above, which may be different from those requested in your original submission. As you are the representative of the insured, it is incumbent upon you to review the terms of this quote carefully with your insured and reconcile any differences from the terms requested in the original submission. The Mechanic Group, Inc. disclaims any responsibility for your failure to reconcile with the insured any differences between the terms quoted below and those terms originally requested. This coverage may not be bound without a fully executed brokerage agreement.



The Mechanic Group, Inc.
One Blue Hill Plaza - Suite #530
Post Office Box #1646
Pearl River, New York 10965-8646
Toll Free: 800-214-0207
Telephone: 845-735-0700
Facsimile: 845-735-8383
www.mechanicgroup.com

Primary Commercial General Liability Insurance Proposal Prepared for:

Quote Date:	4/9/2007
Quote No:	04/11/07-01

Security III, Inc.

BROKER GENERAL PROCEDURES

I. Binders:

Upon confirmation that coverage has been bound by The Mechanic Group, brokers may issue binders. Prior to binding your first submission, your signed Producer Agreement, copy of your State's License, evidence of Errors & Omissions insurance coverage and a completed form W-9 must be received by our office

II. Certificates of Insurance:

Brokers may issue Certificates of Insurance to their insured's.

III. Additional Insured Requests:

All Additional Insured Certificates must be sent to our office and be accompanied by a signed and completed Additional Insured Questionnaire!!! The following wording **MUST** be used on all Additional Insured Certificates:

With respect to the commercial liability plan referenced above certificate holder listed below is included as additional insured but only to the extent that certificate holder is held liable for the negligent acts, errors or omissions of the named insured

Any other wording must be approved by our office prior to issuing the Certificate of Insurance.

IV. Claims:

All claims and/or notice of incident must be reported directly to our office as soon as possible. Please forward a completed "Acord Loss Notice" along with supporting documentation.

VI. Audits:

Policies that are subject to audit will be scheduled shortly after policy expiration. Please advise your insured of this as it is important they cooperate with the auditor. Failure to do so could effect future renewals.

VII. Renewals:

Renewal applications will be sent to your office approximately 60 days prior to the renewal date. It is imperative the application be completed and returned by your insured as soon as possible to secure a renewal quote.

VII. Sub-Brokered/Produced Business:

A great deal of information is required from the Broker/Producer to accurately evaluate an account. It is imperative to obtain this information from the Broker/Producer working directly with the Insured. Therefore, we **CANNOT** allow Brokers/Producers to sub-broker business

WESTERN WORLD INSURANCE GROUP

**NOTICE - OFFER OF TERRORISM COVERAGE
NOTICE - DISCLOSURE OF PREMIUM
GENERAL LIABILITY AND PROPERTY**

The Terrorism Risk Insurance Extension Act of 2005 establishes a program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. The Act provides that, to be certified, an act of terrorism must cause losses of at least fifty million dollars in 2006 or one hundred million dollars in 2007 and must have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest to coerce the government or population of the United States.

In accordance with the Terrorism Risk Insurance Extension Act of 2005, we are required to offer you coverage for losses resulting from an act of terrorism **that is certified under the federal program** as an act of terrorism committed by an individual(s) acting on behalf of a foreign person or foreign interest. The policy's other provisions will still apply to such an act. Your decision is needed on this question: do you choose to pay the premium for terrorism coverage stated in this offer of coverage, or do you reject the offer of coverage and not pay the premium? You may accept or reject this offer.

See the section of this Notice titled DISCLOSURE OF PREMIUM. If you choose to accept this offer of coverage, your premium will include the additional premium for terrorism as stated in such DISCLOSURE.

Failure to pay the premium by the due date will constitute rejection of the offer and your policy will be written to exclude the described coverage.

You may choose to reject the offer by signing the enclosed statement and returning it to us, and your policy will be written to exclude the described coverage.

ACCEPTANCE OR REJECTION OF CERTIFIED TERRORISM INSURANCE COVERAGE (CHECK ONE)

- ☐ I hereby reject the offer of certified terrorism coverage.
☐ I hereby accept the offer of certified terrorism coverage for a prospective premium.

DISCLOSURE OF PREMIUM

If you accept this offer, the premium for terrorism coverage is \$1,120.08

_____ Policyholder/Applicant's Signature	_____ Security III, Inc. Account Name	
_____ Print Name	_____ Date	_____ Policy Number

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 90% in 2006 and 85% in 2007 of that portion of the amount of such insured losses that exceeds the applicable insurer deductible.

Western World Insurance Company - Tudor Insurance Company - Stratford Insurance Company
400 Parson's Pond Drive Franklin Lakes, NJ 07417-2600
Telephone: (201) 847-8600

WW 405C (01/06)



The Mechanic Group, Inc.
One Blue Hill Plaza - Suite #530
Post Office Box #1646
Pearl River, New York 10965-8646
Toll Free: 800-214-0207
Telephone: 845-735-0700
Facsimile: 845-735-8383
www.mechanicgroup.com

Primary Commercial General Liability Insurance Proposal Prepared for:

American Flagging & Traffic Control

Quote Date:	11/13/2007
Quote No:	11/14/07-02
Quote valid for 30 days	

Attention: Kilgore Insurance Agency

Company: Gemini Insurance Company

"A+" Rated by A.M. Best's Underwriting Guide, Financial Size XV
A Member Company of W.R. Berkley Group
Excess and Surplus Lines Carrier

Policy Period: November 14, 2007 through November 14, 2008

Policy Form: Occurrence

Limits:	General Aggregate	3,000,000
	Products & Completed Operations Aggregate	3,000,000
	Each Occurrence	1,000,000
	Personal and Advertising Injury (each occurrence)	1,000,000
	Fire Damage (any one fire)	100,000
	Medical Payments (any one person)	10,000

Policy Highlights:	CG 00 01 12 04	Commercial General Liability
	CG 20 10 07 04	Blanket Additional Insured
	CG 22 74 10 01	Personal Injury Extension
	CG 75 31 09 05	Loss Key Coverage
	CG 75 32 06 07	Broad Form Property Damage & Theft Extension Endorsement
	CG 75 34 08 07	Assault & Battery
	CG 75 53 09 05	Electronic Data Liability
	CG 75 60 06 07	Limited Canine Coverage
	CG 75 80 09 07	Emergency Medical Technicians and Paramedics
	CG 75 81 06 07	Mobile Equipment Extension
	CG 75 91 09 07	Errors & Omissions

Optional Coverage:

Stop Gap (Employers Liability)

Employee Benefits Liability (\$1,000,000
Occurrence, \$1,000,000 Aggregate)

Additional Insured - Owners, Lessees Or
Contractors

Waiver Of Subrogation

Designated Location(s) General Aggregate Limit

Additional Insured - Engineers, Architects

Additional Insured - Completed Operations

Designated Construction Project(s) General Aggregate
Limit

Hired And Non-Owned Auto Liability

(These coverages are
available but are NOT
included in the quote)



Primary Commercial General Liability Insurance Proposal Prepared for:

American Flagging & Traffic Control

Policy Exclusions

All exclusions listed in the Commercial General Liability Coverage Form CG0001 (12/04) unless otherwise amended by endorsement and referenced in this proposal; Employment Related Practices; Fungi or Bacteria; Securities & Financial Interest; Territory Limitation, Total Pollution with a Building Heating, Cooling & Dehumidifying Equipment Exception and Hostile Fire Exception; Total Asbestos; War or Terrorism; Lead Contamination

Class Code	Description	Rate	Exposure	Expos Type	Deductible
98751	Security and Patrol Agencies	40.000	\$240,000	Payroll	\$1,000

Premiums	Without Certified Terrorism Endorsement	With Certified Terrorism Endorsement
Standard Premium:	\$9,600.00	\$10,560.00
Optional Coverage:	\$0.00	\$0.00
Annual Premium:	\$9,600.00	\$10,560.00
State Tax:	\$197.00	\$216.20
Stamping Fees:	\$0.00	\$0.00
Processing & Filing Fee:	\$250.00	\$250.00
Total Premium:	\$10,047.00	\$11,026.20
Commission:	\$960.00	\$1,056.00
Net Premium Due:	\$9,087.00	\$9,970.20

All endorsement premiums are fully earned

Conditions to Bind:

- ☐ Signed and Dated Mechanic Group Application – must be signed by an owner or principal
- ☐ Five Year Currently Valued Loss Runs
- ☒ Certified Terrorism Disclosure - signed by the applicant, indicating acceptance or rejection of coverage
- ☒ State Surplus Lines Forms (if applicable)
- ☐
- ☐

If proposal is acceptable, please sign below and return to our office (fax: 845-735-8383)

Signature

Date

The proposal of coverage hereon is only illustrative and is not intended as a policy of insurance, binder or statement of coverage of any policy of insurance. In every instance, the policy is the only accepted statement of coverage. This is not a binder or confirmation of insurance. I acknowledge that corporations or individuals insured by surplus lines carriers do not have the protection of individual state insurance guarantee acts to the extent of any right of recovery of the obligation of an insolvent carrier. The Mechanic Group will be held harmless for any damages arising out of the failure of the carrier to fulfill any of its obligations. In addition, The Mechanic Group, Inc. performs substantial services in connection with this policy. These services include but are not limited to procurement of original policies and certificates, negotiations of classifications, rates and premiums; filing of paperwork required by regulatory agencies; assistance in claims processing and handling; assistance in billing and payment matters. In view of the above, it is necessary for The Mechanic Group, Inc. to charge the processing fee shown. By signing this memorandum, you agree to pay this processing fee at policy inception. Please note that this quote is based on the coverage, terms and conditions listed above, which may be different from those requested in your original submission. As you are the representative of the insured, it is incumbent upon you to review the terms of this quote carefully with your insured and reconcile any differences from the terms requested in the original submission. The Mechanic Group, Inc. disclaims any responsibility for your failure to reconcile with the insured any differences between the terms quoted below and those terms originally requested. This coverage may not be bound without a fully executed brokerage agreement.

Insured American Flagging & Traffic Control
Quote Date 11/13/2007
Insurance Company Gemini Insurance Company

Quote Number 11/14/07-02

**NOTICE – OFFER OF TERRORISM COVERAGE
NOTICE – DISCLOSURE OF PREMIUM**

The Terrorism Risk Insurance Act of 2002, as extended in December 2005, established a program within the U.S. Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. The Act applies when the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General, certifies that an event meets the definition of an act of terrorism. The Act provides that, to be certified, an act of terrorism must have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest to coerce the civilian population of the United States or to influence the policy or affect the conduct of the U.S. Government by coercion.

In accordance with the Terrorism Risk Insurance Act, we are required to offer you coverage for losses resulting from an act of terrorism **that is certified under the federal program**. The policy's other provisions will still apply to such an act. Your decision is needed on this question: do you choose to pay the premium for terrorism coverage stated in this offer of coverage, or do you reject the offer of coverage and not pay the premium? You may accept or reject this offer:

DISCLOSURE OF PREMIUM AND ACCEPTANCE OR REJECTION OF OFFER:

I hereby elect to purchase certified terrorism coverage for an Annual premium of:	\$979.20
A) Premium through end of 12/31/07	\$128.37
B) Estimated Premium beyond 12/31/07	\$850.83
I understand that the federal Terrorism Risk Insurance Extension Act of 2005 may terminate on December 31, 2007. Should that occur my coverage for terrorism as defined by the Act will also terminate.	
This premium does not include any charges for the portion of the loss covered by the federal government	
I hereby reject the purchase of certified terrorism coverage. I understand that by rejecting this offer, I will have no coverage for losses arising from an act of terrorism as defined above.	

IMPORTANT: Please note that even if you elect to purchase this coverage, losses caused by war may be excluded from coverage under your policy. Losses resulting from terrorist acts that the Secretary of the Treasury fails to certify as falling within the federal Terrorism Insurance Program also will be excluded from coverage where permitted by state law.

THE PERSON SIGNING THIS NOTICE REPRESENTS SHE OR HE HAS THE REQUISITE AUTHORITY TO BIND THE NAMED INSURED AND YOU WAIVE ANY AND ALL RIGHT YOU MAY HAVE TO REPUDIATE THIS NOTICE ON THE BASIS OF A SUBSEQUENT DEMOTION OR DISMISSAL OF THE PERSON SIGNING THIS NOTICE ON YOUR BEHALF.

Applicant's/Named Insured's Signature

Print Name of Person Signing and Relationship to Applicant/Named Insured

Date

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share generally equals ninety (90) percent (eighty-five (85) percent in 2007) of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

THE SUMMARY OF THE ACT AND THE COVERAGE UNDER YOUR POLICY CONTAINED IN THIS NOTICE IS NECESSARILY GENERAL IN NATURE. YOUR POLICY CONTAINS SPECIFIC TERMS, DEFINITIONS, EXCLUSIONS AND CONDITIONS. IN CASE OF ANY CONFLICT, YOUR POLICY LANGUAGE WILL CONTROL THE RESOLUTION OF ALL COVERAGE QUESTIONS. PLEASE READ YOUR POLICY CAREFULLY.

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Kilgore Insurance Agency
33 Centennial Drive
Peabody, MA 01960
Phone (978) 531-6550
Fax (978) 531-9442

To: LANA VOGLER Date: 11-23-05
SZERUP + CO.

Fax#: 978-~~531~~ 5718
912

RE: AEGIS PROTECTION GROUP, INC
#XLS002-6742

Number of Pages to Follow: NONE

PLEASE BIND AND ISSUE RENEWAL UMBRELLA
POLICY EFFECTIVE 11-25-05 PER YOUR QUOTE
OF 11-22-05 AT \$15,295 PREMIUM
PLUS TAX

WITHOUT TERRORISM AND WITHOUT
COMMISSION TO OUR AGENCY.

IF YOU HAVE ANY QUESTIONS, PLEASE CALL.

THANKS,

Andy Crowther

andrewcrowther@onceanddone.com

Kilgore Insurance Agency33 Centennial DrivePeabody, MA 01960Cover Sheet

To: Jim Laplante Date 12/17/07
All Risk Ltd Fax# 410-828-8179

From: Kathy Fax # 978-531-9442

Tel # 978-531-6550

RE: Atlas Alarm

Number of pages to follow: 1

including Terrorism
Please bind and issue G/L effective
12/19 per your quote of \$46,011,
without commission to our office.

Thanks -

Kathy Burke
kathyburke@onceanddone.com

Kilgore Insurance

33 Centennial Drive at Centennial Square
Peabody, MA 01960

(978) 531-6550

FAX (978) 531-9442

LEONARD B. KILGORE
(1919-1998)
JEFFREY B. KILGORE
CYRUS A. KILGORE

November 30, 2005

Aegis Protection Group
P.O. Box 2288
Frammingham, MA 01703

ATT: Ed Holston

RE: General Liability
Umbrella Liability

Dear Ed:

Thank you for placing the coverage shown above with our office. The binders are enclosed as proof of coverage until the actual policies are issued. The invoices for the premiums are also enclosed and due upon receipt. In the event you would prefer to finance, a contract has been enclosed. Simply sign and return one copy of the contract with the deposit payable to Kilgore Insurance. Premium Assignment Corporation will bill you for the balance.

If you have any questions, please contact either Kathy Burke or myself. We appreciate the opportunity to service your business.

Sincerely,

Andy

Andrew W. Crowther, CIC

AWC/kb
enc.

Kilgore Insurance Agency
33 Centennial Drive
Peabody, MA 01960
Phone# 978-531-6550 / Fax# 978-531-9442

Invoice # 4440

Page 1

<u>Account no.</u>	<u>OP</u>	<u>Date</u>
AEGIS-2	KB	11/30/05

General Liability

Policy # 115 5726

Company: Szerlip & Co., Inc.

<u>Effective</u>	<u>Expiration</u>	<u>Balance due</u>
11/25/05	11/25/06	upon receipt

Aegis Protection Group
Ed Holston
P.O. Box 2288
Framingham, MA 01703

<u>Item</u>	<u>Effective Date</u>	<u>TRN</u>	<u>Description</u>	<u>Amount</u>
56740	11/25/05	REN	General Liability	\$133,299.50

ACORD INSURANCE BINDER

OP ID KB

DATE
11/30/05

THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS SHOWN ON THE REVERSE SIDE OF THIS FORM.

PRODUCER Ilgore Insurance Agency Centennial Drive Leabody MA 01960		PHONE (A/C, No, Ext): 978-531-6550 978-531-9442	COMPANY Lexington Insurance Co		BINDER # 5035
CODE:		SUB CODE:		X THIS BINDER IS ISSUED TO EXTEND COVERAGE IN THE ABOVE NAMED COMPANY PER EXPIRING POLICY #: 115-5107	
AGENCY CUSTOMER ID: AEGIS-2		DESCRIPTION OF OPERATIONS/VEHICLES/PROPERTY (Including Location) Security Guards			
INSURED Aegis Protection Group Ed Holston P.O. Box 2288 Framingham MA 01703					

COVERAGES

TYPE OF INSURANCE	COVERAGE/FORMS	DEDUCTIBLE	COINS %	AMOUNT
PROPERTY CAUSES OF LOSS <input type="checkbox"/> BASIC <input type="checkbox"/> BROAD <input type="checkbox"/> SPEC				
GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Errors & Omissions	RETRO DATE FOR CLAIMS MADE:			EACH OCCURRENCE \$5,000,000. FIRE DAMAGE (Any one fire) \$50,000. MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$5,000,000. GENERAL AGGREGATE \$5,000,000. PRODUCTS - COMP/OP AGG \$5,000,000.
AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$ MEDICAL PAYMENTS \$ PERSONAL INJURY PROT \$ UNINSURED MOTORIST \$
AUTO PHYSICAL DAMAGE DEDUCTIBLE <input type="checkbox"/> ALL VEHICLES <input type="checkbox"/> SCHEDULED VEHICLES COLLISION: _____ OTHER THAN COL: _____				ACTUAL CASH VALUE STATED AMOUNT \$ OTHER
GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EACH ACCIDENT \$ AGGREGATE \$
EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	RETRO DATE FOR CLAIMS MADE:			EACH OCCURRENCE \$ AGGREGATE \$ SELF-INSURED RETENTION \$ WC STATUTORY LIMITS
WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY				E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
SPECIAL CONDITIONS/OTHER COVERAGES				FEES \$ TAXES \$ ESTIMATED TOTAL PREMIUM \$

NAME & ADDRESS

	MORTGAGEE	ADDITIONAL INSURED
	LOSS PAYEE	
	LOAN #	
	AUTHORIZED REPRESENTATIVE <i>Cyrus A Kilgore</i>	

Kilgore Insurance Agency

33 Centennial Drive

Peabody, MA 01960

Phone# 978-531-5550 / Fax# 978-531-9442

Invoice # 4441

Page 1

<u>Account no.</u>	<u>OP</u>	<u>Date</u>
AEGIS-2	KB	11/30/05

Umbrella

Policy # UMS0018828

Company: Szerlip & Co., Inc.

<u>Effective</u>	<u>Expiration</u>	<u>Balance due</u>
11/25/05	11/25/06	upon receipt

Aegis Protection Group

Ed Holston

P.O. Box 2288

Framingham, MA 01703

<u>Item</u>	<u>Effective Date</u>	<u>TRN</u>	<u>Description</u>	<u>Amount</u>
56744	11/25/05	REN	Umbrella	\$21,436.80

ACORD INSURANCE BINDER

OP ID KB

DATE
11/30/05

THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS SHOWN ON THE REVERSE SIDE OF THIS FORM.

PRODUCER		PHONE (A/C, No, Ext): 978-531-6550 978-531-9442	COMPANY		BINDER # 5036
Ilgore Insurance Agency Centennial Drive Peabody MA 01960			Scottsdale Insurance		
CODE:		SUB CODE:	DATE EFFECTIVE	TIME	EXPIRATION DATE
AGENCY CUSTOMER ID: AEGIS-2			11/25/05	12:01	12/25/05
INSURED				X AM	X 12:01 AM
Aegis Protection Group Ed Holston P.O. Box 2288 Framingham MA 01703				PM	NOON
			X THIS BINDER IS ISSUED TO EXTEND COVERAGE IN THE ABOVE NAMED COMPANY PER EXPIRING POLICY #: XLS0026942		
DESCRIPTION OF OPERATIONS/VEHICLES/PROPERTY (Including Location)					

COVERAGES		LIMITS		
TYPE OF INSURANCE	COVERAGE/FORMS	DEDUCTIBLE	COINS %	AMOUNT
PROPERTY CAUSES OF LOSS <input type="checkbox"/> BASIC <input type="checkbox"/> BROAD <input type="checkbox"/> SPEC				
GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR				
	RETRO DATE FOR CLAIMS MADE:			
AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				
	RETRO DATE FOR CLAIMS MADE:			
AUTO PHYSICAL DAMAGE DEDUCTIBLE <input type="checkbox"/> COLLISION: <input type="checkbox"/> OTHER THAN COL:	<input type="checkbox"/> ALL VEHICLES <input type="checkbox"/> SCHEDULED VEHICLES			
		ACTUAL CASH VALUE		
		STATED AMOUNT		
		OTHER		
GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				
		AUTO ONLY - EA ACCIDENT		
		OTHER THAN AUTO ONLY:		
		EACH ACCIDENT		
		AGGREGATE		
EXCESS LIABILITY <input checked="" type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	RETRO DATE FOR CLAIMS MADE:			
		EACH OCCURRENCE		\$1,000,000.
		AGGREGATE		\$1,000,000.
		SELF-INSURED RETENTION		\$10,000
WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY		WC STATUTORY LIMITS		
		E.L. EACH ACCIDENT		
		E.L. DISEASE - EA EMPLOYEE		
		E.L. DISEASE - POLICY LIMIT		
SPECIAL CONDITIONS/ OTHER COVERAGES		FEES		
		TAXES		
		ESTIMATED TOTAL PREMIUM		

NAME & ADDRESS		MORTGAGEE	ADDITIONAL INSURED
		LOSS PAYEE	
		LOAN #	
		AUTHORIZED REPRESENTATIVE	
		Cyrus A. Kilgore	

PREMIUM ASSIGNMENT CORPORATION

PREMIUM FINANCE AGREEMENT

Massachusetts
P.O. Box 3066 - 3522 Thomasville Rd.
Tallahassee, FL 32315
Phone 850-907-5610

<input type="checkbox"/> PERSONAL	<input checked="" type="checkbox"/> COMMERCIAL	<input checked="" type="checkbox"/> NEW	<input type="checkbox"/> AGENCY RENEWAL	<input type="checkbox"/> ADD'L PREMIUM
-----------------------------------	--	---	---	--

THIS AGREEMENT, made effective the 25 day of November 2005, between
AEGIS PROTECTION GROUP
 (Name of Borrower/Insured exactly as it appears in financed policies) SSN OR TAX # _____

ADDRESS P.O. BOX 2288
 CITY FRAMINGHAM STATE MA ZIP 01703 PHONE # _____

hereinafter called the Borrower, and Premium Assignment Corporation, a Florida Corporation hereinafter called Lender, for the purpose of financing the purchase of insurance policies described in the Scheduled Policies of Insurance listed in page 3 to this Agreement.

TOTAL PRICE OF PREMIUMS	- CASH DOWN PAYMENT	= PRINCIPAL BALANCE OWED ON PREMIUMS	+ DOC STAMPS & SERVICE FEE (if applicable)	= TOTAL AMOUNT FINANCED	+ FINANCE CHARGE (Amount credit costs over term of loan)	= TOTAL OF PAYMENTS (Amount paid if all payments made as scheduled)	ANNUAL INTEREST RATE
154,736.30	100,000.00	54,736.30	0.00	54,736.30	1,894.10	56,630.40	7.48

SELECT BILLING OPTION: ☐ Payment Book ☒ Monthly Invoice

YOUR PAYMENT SCHEDULE WILL BE:
 Each monthly payment due on same day of each succeeding month until paid in full.

Amount of Monthly Payment	Number of Payments	Date First Payment is Due
5,663.04	10	12/25/2005

FOR VALUE RECEIVED, BORROWER PROMISES TO PAY to the order of Lender at the address given at the top of this page, the Total Amount Financed and all sums shown above, including interest at the Annual Interest Rate and other charges as described hereinafter, pursuant to the terms stated below and in page 2 of this Agreement.

1. **SECURITY FOR PAYMENT:** To secure payment of all sums due under this Agreement, Borrower grants Lender a security interest in any unearned premiums or other sums which may become payable under the Scheduled Policies of Insurance shown on page 3.

2. **LIMITED POWER OF ATTORNEY:** BORROWER IRREVOCABLY APPOINTS LENDER AS ATTORNEY-IN-FACT TO CANCEL THE SCHEDULED POLICIES OF INSURANCE AFTER BORROWER DEFAULTS IN MAKING PAYMENTS UNDER THIS AGREEMENT.

3. **NOTICE TO BORROWER:** (1) Do not sign this Agreement before you read it, or if it contains any blank space (other than as provided on the next page), (2) You are entitled to have and should retain a completely filled in copy of this Agreement to protect your legal rights, (3) Under the law, you have the right to pay off in advance the full amount due and under certain conditions to obtain a partial refund of the service charge, and (4) BY SIGNING BELOW BORROWER AGREES TO THE PROVISIONS ABOVE AND ALL OF THE TERMS WHICH APPEAR ON THE SECOND PAGE OF THIS AGREEMENT AND ACKNOWLEDGES RECEIPT OF COPIES OF PAGES 1, 2 AND 3 OF THIS AGREEMENT.

SIGNATURE OF ALL INSURED[S] NAMED IN POLICIES OR AUTHORIZED AGENT OF INSURED[S], AS PERMITTED BY LAW:

Date _____ Name and Title: _____ Date _____ Name and Title: _____

PRODUCER'S REPRESENTATIONS & WARRANTIES:

The undersigned Producer represents and warrants that: (A) The Cash Down Payment shown above has been paid by or on behalf of the Borrower. (B) The Total Price of Premiums shown above has been or will be used to purchase insurance policies shown in the Scheduled Policies of Insurance on page 3 of this Agreement. Any portion of the Total Price of Premiums received by Producer that is not used to purchase such insurance policies, as well as any refunds or credits on such policies, shall be promptly paid to Lender. (C) To the best of the undersigned's knowledge and belief, Borrower is not subject to any bankruptcy or insolvency proceedings and Producer has no reason to believe that Borrower is insolvent. (D) The Borrower's signature(s) is (are) genuine and authorized, or to the extent permitted by applicable law, the Producer has been authorized by Borrower to sign this Agreement on Borrower's behalf. (E) Producer has delivered or will deliver a copy of this Agreement to Borrower. Producer agrees that the Representations & Warranties above, as well as those on page 3 of this Agreement, are a binding contract between Producer and Lender.

PRODUCER / AGENCY

Name KILGORE INS/PEABODY
 Address 33 CENTENNIAL DRIVE
PEABODY, MA 01960

Date _____

PRODUCER'S SIGNATURE _____

IN CONSIDERATION of the payment by Lender of the Principal Balance Owed on Premiums shown on page 1 to the insurance companies named in the Scheduled Policies of Insurance shown on page 3 (or the agents of such companies), the Borrower agrees:

- 4. ACCEPTANCE DATE** This Agreement is binding upon its acceptance by Lender. Acceptance shall occur upon payment of the Principal Balance Owed on Premiums to the insurance companies named in the Scheduled Policies of Insurance, or the agents of such companies.
- 5. PAYMENTS** Borrower shall make payments directly to Lender in the amounts and at the same time specified on page 1 of this Agreement. Payments shall be made at Lender's address given at the top of page 1 or such other address as Lender may direct in writing. Payments made to any other address, person, firm, corporation or insurance agency (including but not limited to the Producer) shall not constitute payment to Lender. Payments received after cancellation of the Scheduled Policies of Insurance shall be credited to the unpaid balance due under this Agreement and shall not constitute reinstatement of the cancelled policies, nor shall it constitute a waiver by Lender of any rights.
- 6. LATE CHARGES** If a payment is more than 10 days late, Borrower agrees to pay a late charge of 5% of the delinquent installment, unless prohibited by applicable law.
- 7. DEFAULT/CANCELLATION** A default shall occur if Borrower fails to pay any sums required by this Agreement in a timely manner, including interest and Late Charges, or if Borrower fails to carry out any other obligations under this Agreement. After default, any unpaid balance of the Total Amount Financed shall become immediately due and payable in full and Lender may enforce its security interest and its rights under the Limited Power of Attorney. Interest will continue to accrue on the unpaid balance at the Annual Percentage Rate or maximum rate allowed by applicable law, at the option of Lender, until all balances owed under this Agreement are paid. Lender may request cancellation of all or any of the Scheduled Policies of Insurance at the earliest time after default permitted by applicable law. Should Lender cancel the Scheduled Policies of Insurance, Borrower agrees to pay Lender a cancellation fee of 2% of the balance as permitted by applicable law.
- 8. EXCESS INTEREST OR FEES** It is the intent of the Lender that no interest, fee or charge in excess of that permitted by applicable law will be charged, taken or become payable under this Agreement. In the event it is determined that Lender has taken, charged or accrued interest, fees or charges in excess of that permitted under law, such excess shall be returned to Borrower or credited against the sum due Lender hereunder.
- 9. REFUNDS** The Borrower will receive a refund of the finance charge if the account is prepaid in full prior to the last installment due date. The refund shall be computed according to applicable law subject to a nonrefundable service charge of \$16.
- 10. SHORTAGE OR OVERAGE OF RETURNED PREMIUM** If Lender does not receive unearned premiums or other funds after cancellation or expiration of the Scheduled Policies of Insurance in an amount sufficient to pay the unpaid balance due under this Agreement, Borrower agrees to pay the deficiency to Lender on demand. Interest shall accrue on the deficiency at the Annual Percentage Rate, or the maximum rate allowed by applicable law, at the option of Lender. If the unearned premiums received by Lender are more than the amount due under this Agreement, the excess shall be returned to Borrower within the time allowed by applicable law. Borrower has no right to any excess of less than the minimum amount required to be paid by applicable law.
- 11. ATTORNEYS FEES/COURT COSTS** Borrower agrees to pay all attorneys fees, expenses and costs incurred by Lender in collecting amounts due from Borrower under this Agreement, including attorneys fees incurred on appeal and in bankruptcy, unless prohibited or limited by applicable law.
- 12. LENDER RELATIONSHIP** Borrower acknowledges that: (a) Lender is not an insurance agent nor an insurance company, (b) This Agreement is a financing agreement and not an insurance policy or guarantee of insurance coverage, (c) Lender has played no part in the selection or structuring of the financed insurance policies, (d) Lender has no obligation to request reinstatement of any insurance policies properly cancelled after a default under this Agreement, and (e) The decision of whether to reinstate insurance coverage is made solely by the insurance companies providing coverage, not Lender.
- 13. ADDITIONAL PREMIUMS** Lender may advance to Producer, as Borrower's agent, or to an insurance company any additional premiums that may become due, less normal down payment, adding the advanced amount, plus any finance charge, to Borrower's balance under this Agreement. However, any additional premium which is owed to the insurance company(ies) named in the Scheduled Policies of Insurance as a result of any misclassification of risk which is not paid in full or financed in this Agreement may result in cancellation of the coverage by the insurance company for nonpayment of premium. Lender's payment shall not be applied by the insurer to pay for any additional premium owed by Borrower as a result of any misclassification of risk.
- 14. LENDER LIABILITY** Lender is not responsible for any damages resulting from cancellation of the Scheduled Policies of Insurance by Lender, as long as the cancellation was done in accordance with applicable law. Borrower shall be responsible for Lender's reasonable attorneys fees and expenses for any unsuccessful action filed by Borrower seeking damages for improper cancellation. Lender's liability for breach of this Agreement shall be limited to the Principal Balance Financed under this Agreement, if permitted by applicable law.
- 15. RETURNED CHECKS** Borrower agrees to pay a returned check fee of \$10, as allowed by applicable law, for each of Borrower's checks returned to Lender for Insufficient funds or because the insured has no account in the payor bank.
- 16. WARRANTIES OF BORROWER** Borrower warrants that: (a) Each of the Scheduled Policies of Insurance have been issued or a binder has been issued; (b) Borrower has not and will not assign or encumber any unearned premium of the Scheduled Policies of Insurance or grant a power of attorney to cancel the Scheduled Policies of Insurance to anyone other than Lender until all sums due under this Agreement are paid in full; (c) Lender may assign all its rights under this Agreement as allowed by applicable law; (d) No proceeding in bankruptcy or insolvency has been instituted by or against Borrower or is contemplated by Borrower, and (e) No insurance financed by this Agreement was purchased for personal, family or household purposes, unless so indicated on page 1.
- 17. INTEREST CALCULATION** Interest is computed on an annual basis of 12 months of 30 days on the balance of the Total Amount Financed, from the effective date of the earliest insurance policy for which premiums are being advanced to the date when all sums due under this Agreement are paid.
- 18. BLANK SPACES** Borrower agrees that if any policy financed by this Agreement has not been issued at the time the Agreement is signed, the names of the insurance companies issuing the financed policies, the policy numbers and the due date of the first installment may be inserted in the Agreement after it is signed.
- 19. GOVERNING LAW** The Parties agree that the law of the state in which this Agreement is executed shall control the interpretation of the Agreement and the rights of the parties, unless the Agreement is executed in a state without premium finance laws, in which case the law of the State of Florida shall govern.
- 20. SAVINGS CLAUSE** The Parties agree that if one or more portions of this Agreement are found to be invalid or unenforceable for any reason, the remaining portions shall remain fully enforceable.
- 21. FINANCING OPTION** Entry into this financing arrangement is not a condition of obtaining insurance. You may opt to pay the premium for such insurance without financing such premium, or to obtain financing from some other source if you choose.



KILGORE INSURANCE AGENCY

33 CENTENNIAL DRIVE
PEABODY, MASS. 01960



Aegis Protection Group
P.O. Box 2288
Framingham, MA 01703

01703+2288-22 8042



Form BR-7

AFFIDAVIT BY ASSURED

516L000911-091

Affidavit # 20 _____

I/We Marianne Jenkins of Alliance Detective & Security Agency, Inc. do hereby state that in June, 20 09/We directed Kilgore Insurance my/our Insurance Broker to obtain insurance against certain risks as described herein. My/Our Insurance Broker informed us that the required insurance could not be obtained from, or would not be written by, companies licensed or admitted to transact business in the Commonwealth of Massachusetts.

I/We, the Assured, was/were informed that the type and amount of insurance shown below could be obtained from certain insurers not admitted to transact business in the Commonwealth. I/We was/were further informed:

- A. The surplus lines insurer with whom the insurance was placed is not licensed in this state and is not subject to Massachusetts regulations.
- B. In the event of the insolvency of the surplus lines insurer, losses will not be paid by the state insurance guaranty fund.

Signature by Assured Marianne Jenkins
 Print Name Marianne Jenkins
 Date: 07/01/09

THIS PORTION MUST BE COMPLETED AND SIGNED BY THE ORIGINAL BROKER

Name of Insured Alliance Detective & Security Service, Agency, Inc. Address 930 Broadway, Everett, MA 02149
 Location of Property 930 Broadway, Everett, MA 02149
 Description: security service
 Coverage: General Liability
 Limit: \$2,000,000. Agg. Premium 51840.00
1,000,000. Occ.

I/We hereby verify that I/We explained the foregoing to the insured and it was acknowledged that he/she understood such.
 SS/Fed. Tax ID 65-1164754 Signature Cyrus A. Kilgore Date 07/01/09

A copy of this affidavit must be kept in the original broker's file and a copy must be given to the assured at the time said copy was completed by him/her

AFFIDAVIT BY SPECIAL BROKER

I, _____ of _____ in said county of _____ depose and say that I was engaged directly by the Assured named herein or informed by the Assured's Insurance licensed Agent/Broker that after diligent efforts, he/she is unable to procure in companies admitted to do business in this Commonwealth the amount and/or type of insurance necessary to protect the insurable interests described above. This Affidavit is made to comply with the requirements of Section 168 of Chapter 175 of the General Laws, and to authorize me as a licensed special insurance broker under said section to procure insurance for said insurable interests beyond that which companies admitted to do business in the Commonwealth are willing to write thereon. The following companies or groups are among those which have accepted all or part thereof:

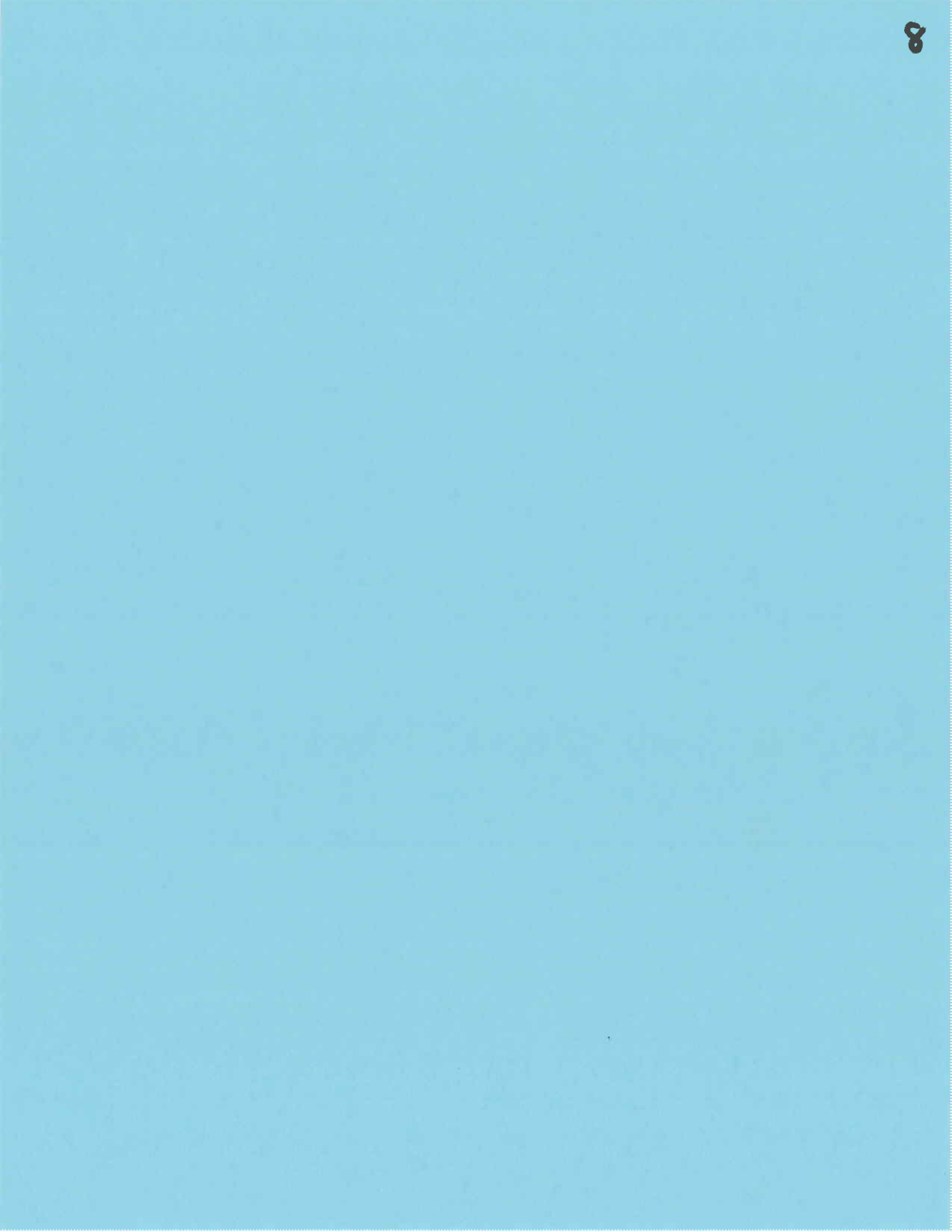
Company	NAIC#	Policy #	Premium

Amendments to Affidavit: () Increase () Decrease

I hereby verify the foregoing statements and declare that they were made under the penalties of perjury.

SS/Fed. Tax ID _____ Signature _____ Date _____

A copy of this affidavit must be kept in the Special Brokers File and the original filed with the Division of Insurance of the Commonwealth of Massachusetts within twenty days following date of procurement.



51 BL 000 911-061 7/1/06-7/1/07

Named Insured ALLIANCE DETECTIVE Policy/binder/quote No. _____
+ SECURITY SERVICE, INC

IF YOU WISH TO REJECT COVERAGE UNDER THE TERRORISM RISK INSURANCE ACT OF 2002, AS EXTENDED ON DECEMBER 22, 2005, THE FIRST NAMED INSURED IF AN INDIVIDUAL, OR AN AUTHORIZED OFFICER, PARTNER OR MEMBER MUST SIGN ONE OF THESE STATEMENTS

TERRORISM RISK INSURANCE ACT REJECTION OF COVERAGE

I acknowledge that I have been notified as required under the Terrorism Risk Insurance Act of 2002, as extended on December 22, 2005, that as respects to the above numbered insurance policy issued to me:

1. I have been offered coverage for acts of terrorism as defined in the Act;
2. I have been advised that if I accept coverage for acts of terrorism as defined in the Act, any such losses would be partially reimbursed by the United States;
3. I have been told that if I reject coverage under the Act by signing this notice, to the extent allowed by law, I will have no coverage for any act of terrorism under this policy.
4. I have been notified of the annual premium for coverage for acts of terrorism as defined in the act.
5. I hereby reject coverage for acts of terrorism as defined in the act and understand my policy will contain an exclusion for acts of terrorism.

Maryann Jenkins 6-28-06 MARYANN JENKINS
Policyholder/applicant's signature Date Print name

RETURN THIS FORM TO YOUR AGENT OR BROKER. A COPY OF THIS DOCUMENT IS AS BINDING AS THE ORIGINAL.

ATTENTION AGENT OR BROKER: THIS FORM MUST BE SIGNED PERSONALLY BY THE INSURED, OR AUTHORIZED OFFICER, PARTNER OR MEMBER AND RETURNED BACK THROUGH ANY APPLICABLE INTERMEDIARY AGENT/ BROKER/ WHOLESALE TO THE COMPANY OR PROGRAM ADMINISTRATOR.

**EVEREST INDEMNITY INSURANCE
COMPANY**

A Capital Stock Insurance Company
c/o Mt. McKinley Managers, L. L. C.
Westgate Corporate Center
477 Martinsville Road
PO Box 830
Liberty Corner, NJ 07938-0830

EVEREST

COMMON POLICY DECLARATIONS	
Policy Number : 51GL000911-051	AUTO • FIRE • LIABILITY • THEFT • PLATE GLASS
Renewal of Number : 51GL000911-041	
Item 1. Named Insured and Mailing Address SERVICES, INC. ALLIANCE DETECTIVE AND SECURITY 930 BROADWAY EVERETTE MA 02149	<i>Kilgore Insurance Agency</i> Phone: (978) 531-6550 33 Centennial Drive Peabody, MA 01960 LIFE • HEALTH • ACCIDENT • MARINE • COMPENSATION
Item 2. Policy Period From: 07/01/05	To: 07/01/06
at 12:01 A.M., Standard Time at your mailing address shown above.	
Item 3. Business Description: SECURITY GUARDS	
Item 4. In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.	
This policy consists of the following coverage parts for which a premium is indicated. Where no premium is shown, there is no coverage. This premium may be subject to adjustment.	
Coverage Part(s)	Premium
GENERAL LIABILITY	\$ 77,576.00
	\$
	\$
Premium Payable to Insurer	\$
Taxes, Surcharges or Fees	\$ 2,953.04
Total Cost	\$ 80,529.04
Item 5. Forms and Endorsements	
Form(s) and Endorsement(s) made a part of this policy at time of issue: SEE EDEC 114 (03/99) SCHEDULE OF FORMS AND ENDORSEMENTS, ATTACHED	
Item 6. Claims Organization GALLAGHER-BASSETT	
Notice of claim or circumstances which may give rise to a claim shall be given in writing to: All Risks Limited, 10150 York Rd, 5th Floor, Hunt Valley, MD 21030 Attn: Claims Unit	


 AUTHORIZED REPRESENTATIVE (or
 countersignature where applicable)

THIS COMMON POLICY DECLARATIONS AND THE SUPPLEMENTAL DECLARATION(S), TOGETHER
 WITH THE COMMON POLICY CONDITIONS, COVERAGE PART(S), COVERAGE FORM(S), AND
 FORMS AND ENDORSEMENTS, IF ANY, COMPLETE THE ABOVE NUMBERED POLICY.

EDEC 101 07 00

07/22/05


**EVEREST INDEMNITY INSURANCE
COMPANY**

A Capital Stock Insurance Company
c/o Mt. McKinley Managers, L. L. C.
Westgate Corporate Center
477 Martinsville Road
PO Box 830
Liberty Corner, NJ 07938-0830

167022
01
**ALLIANCE
DETECTIVE**

EVEREST

COMMON POLICY DECLARATIONS	
Policy Number :	51GL000911-051
Renewal of Number :	51GL000911-041
Item 1. Named Insured and Mailing Address SERVICES, INC. ALLIANCE DETECTIVE AND SECURITY 930 BROADWAY EVERETTE MA 02149	
Item 2. Policy Period	From: 07/01/05 To: 07/01/06 at 12:01 A.M., Standard Time at your mailing address shown above.
Item 3. Business Description:	SECURITY GUARDS
Item 4. In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy. This policy consists of the following coverage parts for which a premium is indicated. Where no premium is shown, there is no coverage. This premium may be subject to adjustment.	
Coverage Part(s)	Premium
GENERAL LIABILITY	\$ 57576.00
	\$
	\$
Premium Payable to Insurer	\$
Taxes, Surcharges or Fees	\$ 2953.04
Total Cost	\$ 60529.04
Item 5. Forms and Endorsements Form(s) and Endorsement(s) made a part of this policy at time of issue: SEE EDEC 114 (03/99) SCHEDULE OF FORMS AND ENDORSEMENTS, ATTACHED	
Item 6. Claims Organization <u>GALLAGHER-BASSETT</u> Notice of claim or circumstances which may give rise to a claim shall be given in writing to: All Risks Limited, 10150 York Rd, 5th Floor, Hunt Valley, MD 21030 Attn: Claims Unit	


AUTHORIZED REPRESENTATIVE (or
countersignature where applicable)

THIS COMMON POLICY DECLARATIONS AND THE SUPPLEMENTAL DECLARATION(S), TOGETHER
WITH THE COMMON POLICY CONDITIONS, COVERAGE PART(S), COVERAGE FORM(S), AND
FORMS AND ENDORSEMENTS, IF ANY, COMPLETE THE ABOVE NUMBERED POLICY.

EDEC 101 07 00

07/22/05

PAC 413

Declarations	Excess Insurance Policy	POLICY NUMBER 552-012462-9
---------------------	------------------------------------	---------------------------------------

Date Issued: 12/29/2006 RS		Renewal or Replacement Of: 552-011911-2
Item 1.	Named Insured & Address: ATLAS ALARM CORP. 1239 WASHINGTON STREET WEYMOUTH, MA 02189	
Item 2.	Policy Period: Policy Covers From: 12/19/2006 To: 12/19/2007 12:01 a.m. Standard Time at the Named Insured's address stated above.	
Item 3.	Coverage is Provided by Company Checked: <input type="checkbox"/> UNITED STATES FIRE INSURANCE COMPANY <input checked="" type="checkbox"/> THE NORTH RIVER INSURANCE COMPANY	Representative: 80172 Agent or Broker: H.T. BAILEY INSURANCE AGENCY, INC. Office Address: 20 MALL ROAD Town, State & Zip: BURLINGTON, MA 01803
Item 4.	Premium is Payable: \$27,720.00 In advance \$27,720.00 Annual minimum premium	
Item 5.	Controlling Underlying Insurance: \$15,000,000 EACH OCCURRENCE, \$15,000,000 GENERAL AGGREGATE BODILY INJURY, PROPERTY DAMAGE, PERSONAL AND ADVERTISING INJURY, AS PROVIDED BY SCOTTSDALE INSURANCE COMPANY, POLICY # XLS0031906, EFFECTIVE 12/19/2006, WHICH IS EXCESS OF PRIMARY INSURANCE AS SCHEDULED THEREIN AND/OR A SELF INSURED RETENTION	
Item 6.	Limit of Liability: \$10,000,000 EACH OCCURRENCE, \$10,000,000 AGGREGATE IN EXCESS OF CONTROLLING UNDERLYING INSURANCE AS STATED IN ITEM 5 ABOVE	
Policy jacket, forms and endorsements attached to this policy at inception (number and edition date) are as per master forms list attached.		

Countersigned by


Authorized Representative

Declarations	Excess Insurance Policy	POLICY NUMBER 552-012462-9
---------------------	------------------------------------	---------------------------------------

Date Issued: 12/29/2006 RS		Renewal or Replacement Of: 552-011911-2	
Item 1.	Named Insured & Address: ATLAS ALARM CORP. 1239 WASHINGTON STREET WEYMOUTH, MA 02189		
Item 2.	Policy Period: Policy Covers From: 12/19/2006 To: 12/19/2007 12:01 a.m. Standard Time at the Named Insured's address stated above.		
Item 3.	Coverage is Provided by Company Checked: <input type="checkbox"/> UNITED STATES FIRE INSURANCE COMPANY <input checked="" type="checkbox"/> THE NORTH RIVER INSURANCE COMPANY	Representative: 80172 Agent or Broker: H.T. BAILEY INSURANCE AGENCY, INC. Office Address: 20 MALL ROAD Town, State & Zip: BURLINGTON, MA 01803	
Item 4.	Premium is Payable: <div style="text-align: right; margin-right: 100px;">\$19,800 In advance</div> <div style="text-align: right; margin-right: 100px;">\$19,800 Annual minimum premium</div>		
Item 5.	Controlling Underlying Insurance: \$15,000,000 EACH OCCURRENCE, \$15,000,000 GENERAL AGGREGATE BODILY INJURY, PROPERTY DAMAGE, PERSONAL AND ADVERTISING INJURY, AS PROVIDED BY SCOTTSDALE INSURANCE COMPANY, POLICY # XLS0031906, EFFECTIVE 12/19/2006, WHICH IS EXCESS OF PRIMARY INSURANCE AS SCHEDULED THEREIN AND/OR A SELF INSURED RETENTION		
Item 6.	Limit of Liability: \$10,000,000 EACH OCCURRENCE, \$10,000,000 AGGREGATE IN EXCESS OF CONTROLLING UNDERLYING INSURANCE AS STATED IN ITEM 5 ABOVE		
Policy jacket, forms and endorsements attached to this policy at inception (number and edition date) are as per master forms list attached.			

Countersigned by

Authorized Representative

Kilgore Insurance

33 Centennial Drive at Centennial Square
Peabody, MA 01960

(978) 531-6550

FAX (978) 531-9442

LEONARD B. KILGORE

(1918-1998)

JEFFREY B. KILGORE

CYRUS A. KILGORE

November 9, 2007

Alliance Detective & Security Service Inc.
930 Broadway
Everett, MA 02149

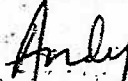
RE. Employment Practices Liability
Director & Officer Liability
and Crime Coverage

Dear Marianne:

Thank you for placing the coverage shown above with our office. The binders are enclosed as proof of coverage until the policies are issued. The invoices for the premiums are also enclosed and due upon receipt. In the event you would prefer to finance, a contract has been enclosed. Simply sign and return one copy of the contract with the deposit **payable to Kilgore Insurance**. Premium Assignment Corporation will bill you for the balance.

If you have any questions, please contact either Kathy Burke or myself. We appreciate the opportunity to service your business

Sincerely,



Andrew W. Crowther, CIC

AWC/kb
enc.

Kilgore Insurance Agency
33 Centennial Drive
Peabody, MA 01960
Phone# 978-531-6550
Fax# 978-531-9442

Invoice # 5776

Page # 1

<u>Account no.</u>	<u>OP</u>	<u>Date</u>
ALLIA-3	KB	November 9, 2007

Employment Practices Liability

Policy #IN ISSUE

Company: Westchester Fire Insurance Co.

<u>Effective</u>	<u>Expiration</u>	<u>Balance due</u>
11/07/07	11/07/08	upon receipt

Alliance Detective & Security
Service, Inc.
930 Broadway
Everett, MA 02149

<u>Item</u>	<u>Effective Date</u>	<u>TRN</u>	<u>Description</u>	<u>Amount</u>
74469	11/07/07	REN	EPL & DO Coverage	\$15,960.00

ACORD INSURANCE BINDER

OP ID KB

DATE
11/09/07

THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS SHOWN ON THE REVERSE SIDE OF THIS FORM.

PRODUCER Kore Insurance Agency 33 Centennial Drive Peabody MA 01960		PHONE (A/C, No, Ext): 978-531-6550 978-531-9442	COMPANY Travelers Casualty & Surety		BINDER # 6658								
CODE:		SUB CODE:		EXPIRATION DATE									
AGENCY CUSTOMER ID: ALLIA-3		INSURED Alliance Detective & Security Service, Inc. 930 Broadway Everett MA 02149		<table border="1"> <tr> <th>DATE</th> <th>TIME</th> <th>DATE</th> <th>TIME</th> </tr> <tr> <td>11/07/07</td> <td>12:01</td> <td>12/07/07</td> <td>12:01 AM</td> </tr> </table>		DATE	TIME	DATE	TIME	11/07/07	12:01	12/07/07	12:01 AM
DATE	TIME	DATE	TIME										
11/07/07	12:01	12/07/07	12:01 AM										
X		THIS BINDER IS ISSUED TO EXTEND COVERAGE IN THE ABOVE NAMED COMPANY PER EXPIRING POLICY #: 98BY1048312677											
DESCRIPTION OF OPERATIONS/VEHICLES/PROPERTY (Including Location)													

COVERAGES		LIMITS		
TYPE OF INSURANCE	COVERAGE/FORMS	DEDUCTIBLE	COINS %	AMOUNT
PROPERTY CAUSES OF LOSS BASIC <input type="checkbox"/> BROAD <input type="checkbox"/> SPEC <input type="checkbox"/>				
GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input type="checkbox"/> OCCUR <input type="checkbox"/>				
AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS				
AUTO PHYSICAL DAMAGE DEDUCTIBLE <input type="checkbox"/>	ALL VEHICLES <input type="checkbox"/> SCHEDULED VEHICLES <input type="checkbox"/>			
GARAGE LIABILITY ANY AUTO <input type="checkbox"/>				
EXCESS LIABILITY UMBRELLA FORM OTHER THAN UMBRELLA FORM				
WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY				
SPECIAL CONDITIONS/ OTHER COVERAGES Crime Coverage-FormA- Employee Dishonesty Third Party Fidelity - Limit \$1,000,000. Deductible \$15,000.				

NAME & ADDRESS

	MORTGAGEE	ADDITIONAL INSURED
	LOSS PAYEE	
	LOAN #	
	AUTHORIZED REPRESENTATIVE <i>Cyrus A. Kellogg</i>	

Kilgore Insurance Agency
33 Centennial Drive
Peabody, MA 01960
Phone# 978-531-6550
Fax# 978-531-9442

Invoice # 5775

Page # 1

<u>Account no.</u>	<u>OP</u>	<u>Date</u>
ALLIA-3	KB	November 9, 2007

Crime

Policy #98BY1048312677

Company: Travelers Casualty & Surety

<u>Effective</u>	<u>Expiration</u>	<u>Balance due</u>
11/07/07	11/07/08	upon receipt

Alliance Detective & Security
Service, Inc.
930 Broadway
Everett, MA 02149

<u>Item</u>	<u>Effective Date</u>	<u>TRN</u>	<u>Description</u>	<u>Amount</u>
74466	11/07/07	REN	Crime Coverage	\$16,840.00

ACORD INSURANCE BINDER

OP ID KB

DATE
11/09/07

THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS SHOWN ON THE REVERSE SIDE OF THIS FORM.

PRODUCER K... Insurance Agency 33 Centennial Drive Peabody MA 01960	PHONE (A/C, No, Ext): 978-531-6550 978-531-9442	COMPANY Westchester Fire Insurance Co.	BINDER # 6659
CODE: SUB CODE:		THIS BINDER IS ISSUED TO EXTEND COVERAGE IN THE ABOVE NAMED COMPANY PER EXPIRING POLICY #:	
AGENCY CUSTOMER ID: ALLIA-3		DESCRIPTION OF OPERATIONS/VEHICLES/PROPERTY (Including Location)	
INSURED Alliance Detective & Security Service, Inc. 930 Broadway Everett MA 02149			

COVERAGES

LIMITS

TYPE OF INSURANCE	COVERAGE/FORMS	DEDUCTIBLE	COINS %	AMOUNT
PROPERTY CAUSES OF LOSS <input type="checkbox"/> BASIC <input type="checkbox"/> BROAD <input type="checkbox"/> SPEC				
GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Direc. & Officers <input checked="" type="checkbox"/> EPL	RETRO DATE FOR CLAIMS MADE:	EACH OCCURRENCE		\$
		FIRE DAMAGE (Any one fire)		\$
		MED EXP (Any one person)		\$
		PERSONAL & ADV INJURY		\$
		GENERAL AGGREGATE		\$
		PRODUCTS - COMP/OP AGG		\$
AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS		COMBINED SINGLE LIMIT		\$
		BODILY INJURY (Per person)		\$
		BODILY INJURY (Per accident)		\$
		PROPERTY DAMAGE		\$
		MEDICAL PAYMENTS		\$
		PERSONAL INJURY PROT		\$
		UNINSURED MOTORIST		\$
AUTO PHYSICAL DAMAGE DEDUCTIBLE <input type="checkbox"/> ALL VEHICLES <input type="checkbox"/> SCHEDULED VEHICLES		ACTUAL CASH VALUE		
COLLISION: <input type="checkbox"/> OTHER THAN COL: <input type="checkbox"/>		STATED AMOUNT		\$
		OTHER		
GARAGE LIABILITY <input type="checkbox"/> ANY AUTO		AUTO ONLY - EA ACCIDENT		\$
		OTHER THAN AUTO ONLY:		
		EACH ACCIDENT		\$
		AGGREGATE		\$
EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	RETRO DATE FOR CLAIMS MADE:	EACH OCCURRENCE		\$
		AGGREGATE		\$
		SELF-INSURED RETENTION		\$
WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY		WC STATUTORY LIMITS		
		E.L. EACH ACCIDENT		\$
		E.L. DISEASE - EA EMPLOYEE		\$
		E.L. DISEASE - POLICY LIMIT		\$
SPECIAL CONDITIONS/ s, charges & Expenses-\$3,000,000. Maximum Agg for this section :Directors & Officers: \$1,000,000. Agg for all Loss: \$2,000,000. Maximum Agg for this section		FEES		\$
		TAXES		\$
		ESTIMATED TOTAL PREMIUM		\$

NAME & ADDRESS

	MORTGAGEE	ADDITIONAL INSURED
	LOSS PAYEE	
	LOAN #	
	AUTHORIZED REPRESENTATIVE <i>Cyrus A Kelgrie</i>	

PREMIUM ASSIGNMENT CORPORATION

PREMIUM FINANCE AGREEMENT

Massachusetts
P.O. Box 3066 - 3522 Thomasville Rd.
Tallahassee, FL 32315
Phone 850-907-5610

☐ PERSONAL ☒ COMMERCIAL ☒ NEW ☐ AGENCY RENEWAL ☐ ADD'L PREMIUM

THIS AGREEMENT, made effective the 7 day of November 2007, between
ALLIANCE DETECTIVE & SECURITY SERVICE INC.
(Name of Borrower/insured exactly as it appears in financed policies) SSN OR TAX # _____

ADDRESS 930 BROADWAY
CITY EVERETT STATE MA ZIP 02149 PHONE # _____

hereinafter called the Borrower, and Premium Assignment Corporation, a Florida Corporation hereinafter called Lender, for the purpose of financing the purchase of insurance policies described in the Scheduled Policies of Insurance listed in page 3 to this Agreement.

TOTAL PRICE OF PREMIUMS	- CASH DOWN PAYMENT	= PRINCIPAL BALANCE OWED ON PREMIUMS	+ DOC STAMPS & SERVICE FEE (if applicable)	= TOTAL AMOUNT FINANCED	+ FINANCE CHARGE (Amount credit costs over term of loan)	= TOTAL OF PAYMENTS (Amount paid if all payments made as scheduled)	ANNUAL INTEREST RATE
32,800.00	CK 50481 6,560.00	26,240.00	0.00	26,240.00	1,000.00	27,240.00	8.23

SELECT BILLING OPTION: ☐ Payment Book ☒ Monthly Invoice

YOUR PAYMENT SCHEDULE WILL BE:
Each monthly payment due on same day of each succeeding month until paid in full.

Amount of Monthly Payment	Number of Payments	Date First Payment is Due
Pmt+1 CK 50481 2,724.00	Payable to Kilgore Ins. 10	12/7/2007

FOR VALUE RECEIVED, BORROWER PROMISES TO PAY to the order of Lender at the address given at the top of this page, the Total Amount Financed and all sums shown above, including interest at the Annual Interest Rate and other charges as described hereinafter, pursuant to the terms stated below and in page 2 of this Agreement.

- SECURITY FOR PAYMENT:** To secure payment of all sums due under this Agreement, Borrower grants Lender a security interest in any unearned premiums or other sums which may become payable under the Scheduled Policies of Insurance shown on page 3.
- LIMITED POWER OF ATTORNEY:** BORROWER IRREVOCABLY APPOINTS LENDER AS ATTORNEY-IN-FACT TO CANCEL THE SCHEDULED POLICIES OF INSURANCE AFTER BORROWER DEFAULTS IN MAKING PAYMENTS UNDER THIS AGREEMENT.
- NOTICE TO BORROWER:** (1) Do not sign this Agreement before you read it, or if it contains any blank space (other than as provided on the next page), (2) You are entitled to have and should retain a completely filled in copy of this Agreement to protect your legal rights, (3) Under the law, you have the right to pay off in advance the full amount due and under certain conditions to obtain a partial refund of the service charge, and (4) BY SIGNING BELOW BORROWER AGREES TO THE PROVISIONS ABOVE AND ALL OF THE TERMS WHICH APPEAR ON THE SECOND PAGE OF THIS AGREEMENT AND ACKNOWLEDGES RECEIPT OF COPIES OF PAGES 1, 2 AND 3 OF THIS AGREEMENT.

SIGNATURE OF ALL INSURED[S] NAMED IN POLICIES OR AUTHORIZED AGENT OF INSURED[S], AS PERMITTED BY LAW:

Date _____ Name and Title: _____ Date _____ Name and Title: _____

PRODUCER'S REPRESENTATIONS & WARRANTIES:

The undersigned Producer represents and warrants that: (A) The Cash Down Payment shown above has been paid by or on behalf of the Borrower. (B) The Total Price of Premiums shown above has been or will be used to purchase insurance policies shown in the Scheduled Policies of Insurance on page 3 of this Agreement. Any portion of the Total Price of Premiums received by Producer that is not used to purchase such insurance policies, as well as any refunds or credits on such policies, shall be promptly paid to Lender. (C) To the best of the undersigned's knowledge and belief, Borrower is not subject to any bankruptcy or insolvency proceedings and Producer has no reason to believe that Borrower is insolvent. (D) The Borrower's signature(s) is (are) genuine and authorized, or to the extent permitted by applicable law, the Producer has been authorized by Borrower to sign this Agreement on Borrower's behalf. (E) Producer has delivered or will deliver a copy of this Agreement to Borrower. Producer agrees that the Representations & Warranties above, as well as those on page 3 of this Agreement, are a binding contract between Producer and Lender.

PRODUCER / AGENCY

Name KILGORE INS/PEABODY
Address 33 CENTENNIAL DRIVE
PEABODY, MA 01960

Date _____ PRODUCER'S SIGNATURE _____

DOWNPMT PAID \$6560.00
Date 11/20/07
CK 50481

Pmt+1 PAID \$2724.00
Date 11/20/07
CK 50482

IN CONSIDERATION of the payment by Lender of the Principal Balance Owed on Premiums shown on page 1 to the insurance companies named in the Scheduled Policies of Insurance shown on page 3 (or the agents of such companies), the Borrower agrees:

4. ACCEPTANCE DATE This Agreement is binding upon its acceptance by Lender. Acceptance shall occur upon payment of the Principal Balance Owed on Premiums to the insurance companies named in the Scheduled Policies of Insurance, or the agents of such companies.

5. PAYMENTS Borrower shall make payments directly to Lender in the amounts and at the same time specified on page 1 of this Agreement. Payments shall be made at Lender's address given at the top of page 1 or such other address as Lender may direct in writing. Payments made to any other address, person, firm, corporation or insurance agency (including but not limited to the Producer) shall not constitute payment to Lender. Payments received after cancellation of the Scheduled Policies of Insurance shall be credited to the unpaid balance due under this Agreement and shall not constitute reinstatement of the cancelled policies, nor shall it constitute a waiver by Lender of any rights.

6. LATE CHARGES If a payment is more than 10 days late, Borrower agrees to pay a late charge of 5% of the delinquent installment, unless prohibited by applicable law.

7. DEFAULT/CANCELLATION A default shall occur if Borrower fails to pay any sums required by this Agreement in a timely manner, including interest and Late Charges, or if Borrower fails to carry out any other obligations under this Agreement. After default, any unpaid balance of the Total Amount Financed shall become immediately due and payable in full and Lender may enforce its security interest and its rights under the Limited Power of Attorney. Interest will continue to accrue on the unpaid balance at the Annual Percentage Rate or maximum rate allowed by applicable law, at the option of Lender, until all balances owed under this Agreement are paid. Lender may request cancellation of all or any of the Scheduled Policies of Insurance at the earliest time after default permitted by applicable law. Should Lender cancel the Scheduled Policies of Insurance, Borrower agrees to pay Lender a cancellation fee of 2% of the balance as permitted by applicable law.

8. EXCESS INTEREST OR FEES It is the intent of the Lender that no interest, fee or charge in excess of that permitted by applicable law will be charged, taken or become payable under this Agreement. In the event it is determined that Lender has taken, charged or accrued interest, fees or charges in excess of that permitted under law, such excess shall be returned to Borrower or credited against the sum due Lender hereunder.

9. REFUNDS The Borrower will receive a refund of the finance charge if the account is prepaid in full prior to the last installment due date. The refund shall be computed according to applicable law subject to a nonrefundable service charge of \$16.

10. SHORTAGE OR OVERAGE OF RETURNED PREMIUM If Lender does not receive unearned premiums or other funds after cancellation or expiration of the Scheduled Policies of Insurance in an amount sufficient to pay the unpaid balance due under this Agreement, Borrower agrees to pay the deficiency to Lender on demand. Interest shall accrue on the deficiency at the Annual Percentage Rate, or the maximum rate allowed by applicable law, at the option of Lender. If the unearned premiums received by Lender are more than the amount due under this Agreement, the excess shall be returned to Borrower within the time allowed by applicable law. Borrower has no right to any excess of less than the minimum amount required to be paid by applicable law.

11. ATTORNEYS FEES/COURT COSTS Borrower agrees to pay all attorneys fees, expenses and costs incurred by Lender in collecting amounts due from Borrower under this Agreement, including attorneys fees incurred on appeal and in bankruptcy, unless prohibited or limited by applicable law.

12. LENDER RELATIONSHIP Borrower acknowledges that: (a) Lender is not an insurance agent nor an insurance company, (b) This Agreement is a financing agreement and not an insurance policy or guarantee of insurance coverage, (c) Lender has played no part in the selection or structuring of the financed insurance policies, (d) Lender has no obligation to request reinstatement of any insurance policies properly cancelled after a default under this Agreement, and (e) The decision of whether to reinstate insurance coverage is made solely by the insurance companies providing coverage, not Lender.

13. ADDITIONAL PREMIUMS Lender may advance to Producer, as Borrower's agent, or to an insurance company any additional premiums that may become due, less normal down payment, adding the advanced amount, plus any finance charge, to Borrower's balance under this Agreement. However, any additional premium which is owed to the insurance company(ies) named in the Scheduled Policies of Insurance as a result of any misclassification of risk which is not paid in full or financed in this Agreement may result in cancellation of the coverage by the insurance company for nonpayment of premium. Lender's payment shall not be applied by the insurer to pay for any additional premium owed by Borrower as a result of any misclassification of risk.

14. LENDER LIABILITY Lender is not responsible for any damages resulting from cancellation of the Scheduled Policies of Insurance by Lender, as long as the cancellation was done in accordance with applicable law. Borrower shall be responsible for Lender's reasonable attorneys fees and expenses for any unsuccessful action filed by Borrower seeking damages for improper cancellation. Lender's liability for breach of this Agreement shall be limited to the Principal Balance Financed under this Agreement, if permitted by applicable law.

15. RETURNED CHECKS Borrower agrees to pay a returned check fee of \$10, as allowed by applicable law, for each of Borrower's checks returned to Lender for insufficient funds or because the insured has no account in the payor bank.

16. WARRANTIES OF BORROWER Borrower warrants that: (a) Each of the Scheduled Policies of Insurance have been issued or a binder has been issued; (b) Borrower has not and will not assign or encumber any unearned premium of the Scheduled Policies of Insurance or grant a power of attorney to cancel the Scheduled Policies of Insurance to anyone other than Lender until all sums due under this Agreement are paid in full; (c) Lender may assign all its rights under this Agreement as allowed by applicable law; (d) No proceeding in bankruptcy or insolvency has been instituted by or against Borrower or is contemplated by Borrower, and (e) No insurance financed by this Agreement was purchased for personal, family or household purposes, unless so indicated on page 1.

17. INTEREST CALCULATION Interest is computed on an annual basis of 12 months of 30 days on the balance of the Total Amount Financed, from the effective date of the earliest insurance policy for which premiums are being advanced to the date when all sums due under this Agreement are paid.

18. BLANK SPACES Borrower agrees that if any policy financed by this Agreement has not been issued at the time the Agreement is signed, the names of the insurance companies issuing the financed policies, the policy numbers and the due date of the first installment may be inserted in the Agreement after it is signed.

19. GOVERNING LAW The Parties agree that the law of the state in which this Agreement is executed shall control the interpretation of the Agreement and the rights of the parties, unless the Agreement is executed in a state without premium finance laws, in which case the law of the State of Florida shall govern.

20. SAVINGS CLAUSE The Parties agree that if one or more portions of this Agreement are found to be invalid or unenforceable for any reason, the remaining portions shall remain fully enforceable.

21. FINANCING OPTION Entry into this financing arrangement is not a condition of obtaining insurance. You may opt to pay the premium for such insurance without financing such premium, or to obtain financing from some other source if you choose.

SCHEDULED POLICIES OF INSURANCE

V7.1a(0)N15.35

11454

ALLIANCE DETECTIVE & SECURITY SERVICE INC.
150 BROADWAY
LYNNFIELD, MA 02149

KILGORE INS/PEABODY
33 CENTENNIAL DRIVE
PEABODY, MA 01960
(978) 531-6550

Premium	Down Payment	Unpaid Balance	Doc Stamps/Fees	Amt. Financed	Finance Charges	Total / Payments
52,800.00	6,560.00 (20.00 %)	26,240.00	0.00	26,240.00	1,000.00	27,240.00
Payment	Payments	Rate	First Due	Type	Status	Contract Type
2,724.00	10	8.23 %	12/7/2007	INVOICE	NEW	COMMERCIAL

EFF DATE	COMPANY / BROKER	CITY	ST	CO. #	TYPE MEP	POLICY NO.	TOTAL PREMIUM
11/7/2007	CO: TRAVELERS PROP CAS	BETHESDA	MD	83662	CRIM	98BY1048	
11/7/2008	MGA: SZERLIP & CO	MILBURN	NJ	62764	0.00 %	312677	
Total							16,840.00

11/7/2007	CO: WESTCHESTER FIRE INS	PHILADELPHI	PA	83179	EPLI	IN ISSUE	
11/7/2008	MGA: SZERLIP & CO	MILBURN	NJ	62764	0.00 %		
Total							15,960.00

Created By: 11454KB

Auth Code:

ADDITIONAL REPRESENTATIONS & WARRANTIES OF PRODUCER

(F) All information provided above is complete and correct in all respects and the policies listed above are or will be in force on the stated Effective Date and delivered by Producer to the Borrower, except for assigned risk or residual market policies.

(G) If any information listed above is or becomes incomplete or inaccurate, Producer shall promptly provide correct information to Lender.

(H) The Producer is an authorized policy issuing agent of the companies issuing the policies listed above or is the authorized agent of the MGA or broke placing the coverage directly with the insuring company, **except those policies indicated with an "X"**.

(I) None of the policies listed above are subject to reporting or retrospective rating provisions. All policies subject to audit, minimum or fully earned premium provisions are indicated below:

Policy No and Prefix No:

(J) Except as indicated above, all Scheduled Policies of Insurance can be cancelled by Borrower or Lender on 10 days notice and the unearned premium will be computed pro rata or on the standard short rate table.

(K) If any Scheduled Policies of Insurance are subject to audit, Producer and Borrower have made good faith determination that the deposit, provisional initial premiums are not less than the anticipated premiums to be earned for the full term of the policy(ies).

(L) Upon cancellation of any of the Scheduled Policies of Insurance, Producer shall remit to Lender the full amount of the unearned premium, including unearned commission, as well as any other payments or credits received by Producer, up to the unpaid balance due under this Agreement, within 15 days of receipt from the insuring company.

DOCUMENTARY STAMPS REQUIRED BY LAW IF ANY ARE AFFIXED TO MONTHLY JOURNAL AND CANCELLED.

Kilgore Insurance

33 Centennial Drive at Centennial Square
Peabody, MA 01960

(978) 531-6550

FAX (978) 531-9442

LEONARD B. KILGORE
(1919-1998)
JEFFREY B. KILGORE
CYRUS A. KILGORE

11454

February 24, 2004

Premium Assignment Corporation
P. O. Box 1055
East Brunswick, NJ 08816

RE: Premium Financing

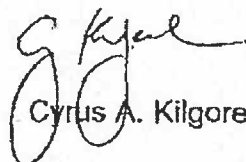
Gentlemen:

This letter will confirm that we will return, on a pro-rata basis, fees charged to our insured and included in the financing of their premiums with Premium Assignment Corporation when a policy is cancelled.

We will include with each individual contract a letter showing the breakdown of premium, taxes, company fees and agency fee. I realize we have gotten away from that practice in the recent past but will begin to include with contracts from today forward.

We appreciate our relationship with you and will work with you to resolve any issues in an effort to maintain that relationship.

Sincerely,


Cyrus A. Kilgore

CAK/kb

*Kilgore Insurance*33 Centennial Drive at Centennial Square
Peabody, MA 01960

(978) 531-6550

FAX (978) 531-9442

LEONARD B. KILGORE

(1919-1998)

JEFFREY B. KILGORE

CYRUS A. KILGORE

April 14, 2004

Premium Assignment Corporation
P.O. Box 1055
East Brunswick, NJ 08816
Via fax 877-834-6618

RE: Security III

Dear Sirs:

In consideration of you including our agency fees in the financing of the insurance premium for the above captioned client we agree to return, on a pro rata basis, any unearned fee should the policy be canceled prior to expiration.

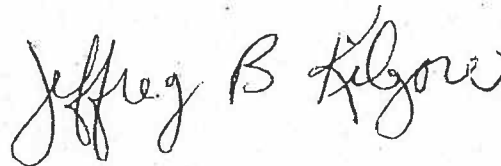
The breakdown is as follows:

Tudor General Liability premium	4138.00
Surplus Lines Tax	165.52
Processing & Filing fee	250.00
Agency fee	14000.00

Total Finance	\$18,553.52
---------------	-------------

Should you have any questions or need to discuss this in greater detail, please feel free to contact me.

Sincerely,



PAC 31

From the desk of
Kathy Burke/ Kilgore Insurance

12/9/04

To: PAC

Blanket
Guarantee

FAX#: 877-834-6618

RE: ALLIANCE DETECTIVE + SECURITY

Contracts Breakdown:

Great American EPL premium	14755.
Travelers Crime premium	13163.
Agency fee	20.000
	47918.

Deposit = 20% EPL 2951.

20% Crime 2632.⁶⁶

1/2 Agency fee 10.000.

15583.⁶⁶

We have also collected 12/7

installment.

978-531-6550 tel.#

978-531-9442 fax #

kathyburke@onceanddone.com

We guarantee the Agency fee
on a pro-rata basis
should policies be
cancelled.

PAC 404

*Kilgore Insurance*33 Centennial Drive at Centennial Square
Peabody, MA 01960

(978) 531-6550

FAX (978) 531-9442

January 3, 2007

LEONARD B. KILGORE
(1913-1998)
JEFFREY B. KILGORE
CYRUS A. KILGOREPremium Assignment Corporation
P.O. Box 355
East Brunswick, NJ 08816
Via fax 877-834-6618

RE: Atlas Alarm Corp.

Dear Sir or Madam:

The following contract breaks down as follows:

Everest G/L Premium	53,007.
Surplus lines tax	2,120.28
Inspection/Policy fees	610.00
Agency fee	23,000.
Scottsdale Umb. Premium	37,483.
Surplus lines tax	1,499.32
Agency fee	15,600.
North River Umb. Premium	19,800.
Agency fee	7,920.
Total Contract	161,039.60

All but \$2156.14, of the agency fees are included in the deposit. The remaining deposit represents 10% of premium and refundable taxes and 100% of inspection/policy fees.

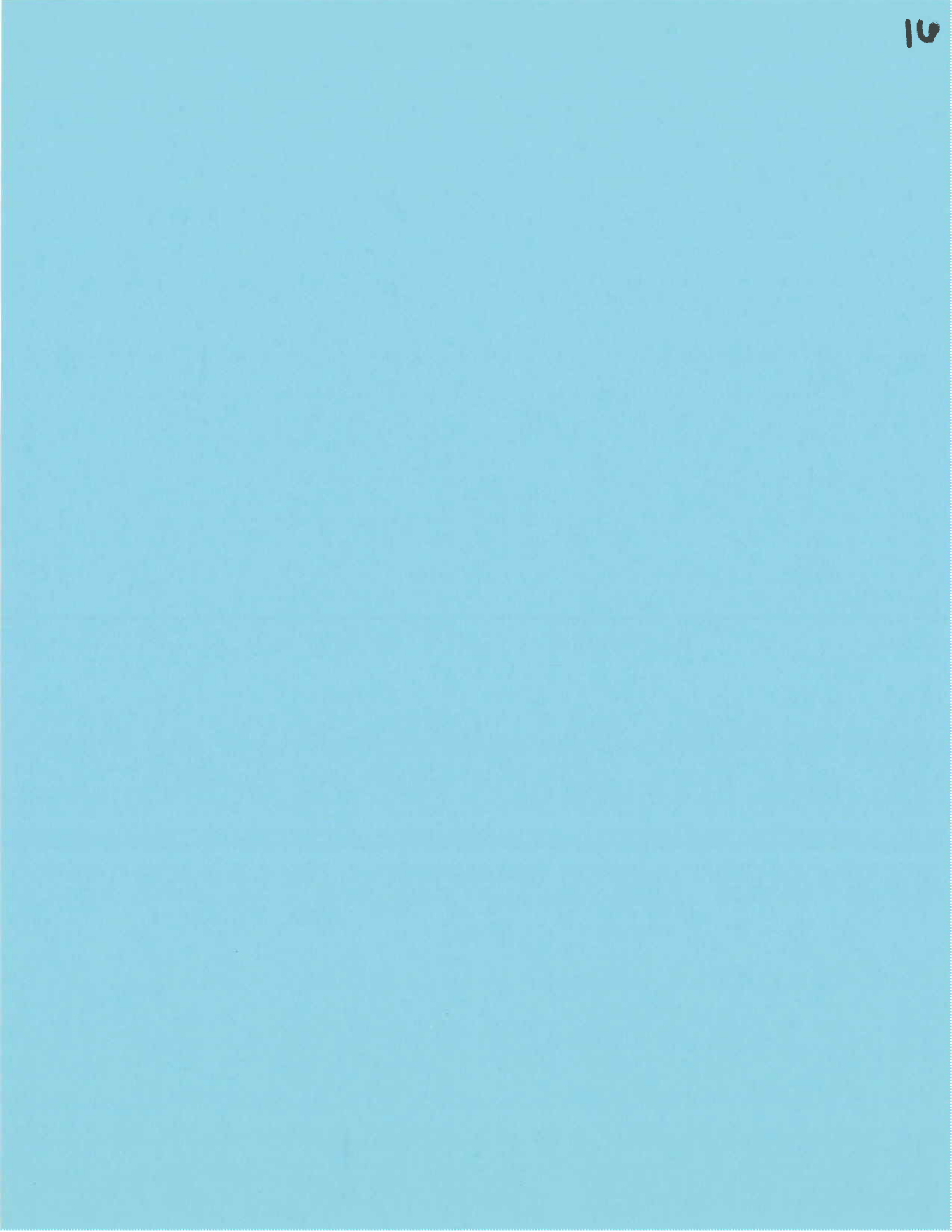
Should the policy be cancelled for any reason we will refund a pro rata portion of the fee.

Sincerely,


Jeffrey B. Kilgore

JBK/kb

PAC 550



*Kilgore Insurance*33 Centennial Drive at Centennial Square
Peabody, MA 01960

(978) 531-6550

FAX (978) 531-9442

LEONARD B. KILGORE

(1919-1998)

JEFFREY B. KILGORE

CYRUS A. KILGORE

January 12, 2007

Premium Assignment Corporation
P.O. Box 1055
East Brunswick, NJ 08816
Via fax 877-834-6618

RE: American Flagging & Traffic Control

Dear Sir or Madam:

The following breakdown of the contract is as follows:

Tudor G/L Premium	16,538.00
Processing/Filing Fee	500.00
Agency fee	6,800.00
Scottsdale Umbrella	6,500.00
Surplus lines tax	130.00
Policy fee	300.00
Agency fee	2,775.00
Total Contract	33,543.00

Please be advised the agency fee is included totally in the deposit.
Should the policy be cancelled for any reason we agree to return a pro rata
amount of fee.

Sincerely,


Jeffrey B. Kilgore

JBK/kb

DAC 238

*Kilgore Insurance*33 Centennial Drive at Centennial Square
Peabody, MA 01960

(978) 531-6550

FAX (978) 531-9442

LEONARD B. KILGORE
(1912-1988)
JEFFREY B. KILGORE
CYRUS A. KILGORE

12/3/2005

Premium Assignment Corporation
P.O. Box 1055
East Brunswick, NJ 08816
Via fax 877-834-6618

RE: Aegis Protection Group

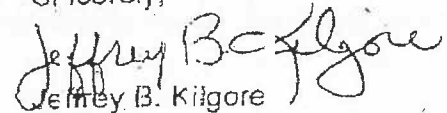
Dear Sir or Madam:

The following contract breaks down as follows:

Lexington Liability Premium	95,690.	deposit	23972.50
Surplus lines tax	3,827.60		3877.60
Filing fee	750.00		750.00
Scottsdale Umbrella Premium	15,295.		3823.75
Surplus lines tax	611.80		611.80
Policy fee	250.00		250.00
Agency fee	38,311.90		38311.90
Totals	154,736.30		100,000.00

Should the policy be cancelled for any reason we will refund a pro rata portion of the fee.

Sincerely,


Jeffrey B. Kilgore

JBK/kb

214653

PREMIUM ASSIGNMENT CORPORATION

PREMIUM FINANCE AGREEMENT

Massachusetts

P.O. Box 3066 - 3522 Thomasville Rd.

Tallahassee, FL 32315

Phone 850-907-5610

☐ PERSONAL ☒ COMMERCIAL ☒ NEW ☐ AGENCY RENEWAL ☐ ADD'L PREMIUM

THIS AGREEMENT, made effective the 25 day of November 2005, between

AEGIS PROTECTION GROUP
(Name of Borrower/Insured exactly as it appears in financed policies)

ADDRESS P.O. BOX 2288 CITY FRAMINGHAM STATE MA ZIP 01703 PHONE # _____

hereinafter called the Borrower, and Premium Assignment Corporation, a Florida Corporation hereinafter called Lender, for the purpose of financing the purchase of insurance policies described in the Scheduled Policies of Insurance listed in page 3 to this Agreement.

TOTAL PRICE OF PREMIUMS	- CASH DOWN PAYMENT	= PRINCIPAL BALANCE OWED ON PREMIUMS	+ DOC STAMPS & SERVICE FEE (if applicable)	= TOTAL AMOUNT FINANCED	= FINANCE CHARGE (Amount credit costs over term of loan)	= TOTAL OF PAYMENTS (Amount paid if all payments made as scheduled)	ANNUAL INTEREST RATE
154,736.30	100,000.00	54,736.30	0.00	54,736.30	1,894.10	56,630.40	7.48

SELECT BILLING OPTION: ☐ Payment Book ☒ Monthly Invoice

Amount of Monthly Payment: 5,663.04

Number of Payments: 10

Date First Payment is Due: 12/25/2005

YOUR PAYMENT SCHEDULE WILL BE:
Each monthly payment due on same day of each succeeding month until paid in full.

FOR VALUE RECEIVED, BORROWER PROMISES TO PAY to the order of Lender at the address given at the top of this page, the Total Amount Financed and all sums shown above, including interest at the Annual Interest Rate and other charges as described hereinafter, pursuant to the terms stated below and in page 2 of this Agreement.

1. **SECURITY FOR PAYMENT:** To secure payment of all sums due under this Agreement, Borrower grants Lender a security interest in any unearned premiums or other sums which may become payable under the Scheduled Policies of Insurance shown on page 3.

2. **LIMITED POWER OF ATTORNEY:** BORROWER IRREVOCABLY APPOINTS LENDER AS ATTORNEY-IN-FACT TO CANCEL THE SCHEDULED POLICIES OF INSURANCE AFTER BORROWER DEFAULTS IN MAKING PAYMENTS UNDER THIS AGREEMENT.

3. **NOTICE TO BORROWER:** (1) Do not sign this Agreement before you read it, or if it contains any blank space (other than as provided on the next page), (2) You are entitled to have and should retain a completely filled in copy of this Agreement to protect your legal rights, (3) Under the law, you have the right to pay off in advance the full amount due and under certain conditions to obtain a partial refund of the service charge, and (4) BY SIGNING BELOW BORROWER AGREES TO THE PROVISIONS ABOVE AND ALL OF THE TERMS WHICH APPEAR ON THE SECOND PAGE OF THIS AGREEMENT AND ACKNOWLEDGES RECEIPT OF COPIES OF PAGES 1, 2 AND 3 OF THIS AGREEMENT.

SIGNATURE OF ALL INSURED(S) NAMED IN POLICIES OR AUTHORIZED AGENT OF INSURED(S), AS PERMITTED BY LAW:

12/5/05 [Signature] Producer
Date Name and Title: _____ Date Name and Title: _____

PRODUCER'S REPRESENTATIONS & WARRANTIES:

The undersigned Producer represents and warrants that: (A) The Cash Down Payment shown above has been paid by or on behalf of the Borrower. (B) The Total Price of Premiums shown above has been or will be used to purchase insurance policies shown in the Scheduled Policies of Insurance on page 3 of this Agreement. Any portion of the Total Price of Premiums received by Producer that is not used to purchase such insurance policies, as well as any refunds or credits on such policies, shall be promptly paid to Lender. (C) To the best of the undersigned's knowledge and belief, Borrower is not subject to any bankruptcy or insolvency proceedings and Producer has no reason to believe that Borrower is insolvent. (D) The Borrower's signature(s) is (are) genuine and authorized, or to the extent permitted by applicable law, the Producer has been authorized by Borrower to sign this Agreement on Borrower's behalf. (E) Producer has delivered or will deliver a copy of this Agreement to Borrower. Producer agrees that the Representations & Warranties above, as well as those on page 3 of this Agreement, are a binding contract between Producer and Lender.

PRODUCER / AGENCY
Name KILGORE INS/PEABODY
Address 33 CENTENNIAL DRIVE
PEABODY, MA 01960

Date

PRODUCER'S SIGNATURE

DEC 08 2005

E009993

PREMIUM ASSIGNMENT
CORPORATION

SCHEDULED POLICIES OF INSURANCE

V7.1a(0)N14.85

11454

AEGIS PROTECTION GROUP
P.O. BOX 2288
FRAMINGHAM, MA 01703KILGORE INS/PEABODY
33 CENTENNIAL DRIVE
PEABODY, MA 01960
(978) 531-6550

Premium	Down Payment	Unpaid Balance	Doc Stamps/Fees	Amt. Financed	Finance Charges	Total / Payments
154,736.30	100,000.00 (64.63 %)	54,736.30	0.00	54,736.30	1,894.10	56,630.40
Payment	Payments	Rate	First Due	Type	Status	Contract Type
5,663.04	10	7.48 %	12/25/2005	INVOICE	NEW	COMMERCIAL

EFF DATE	COMPANY / BROKER	CITY	ST	CO.	TYPE	POLICY NO.	TOTAL PREMIUM
11/25/2005	CO: LEXINGTON INS	BOSTON	MA	82739	GL	1 55726	95,690.00
11/25/2006	MGA: SZERLIP & CO	MILBURN	NJ	62764	0.00 %		4577.6
						Taxes/Fees	33,449.50
						Total	129,139.50
11/25/2005	CO: SCOTTSDALE INS CO	SCOTTSDALE	AZ	82802	UMBR	UN S00188	15,295.00
11/25/2006	MGA: SZERLIP & CO	MILBURN	NJ	62764	0.00 %	28	861.80
						Taxes/Fees	4,441.00
						Total	21,136.80

83698

FEES

\$38,311.9

Created By: 11454KB

Auth Code:

ADDITIONAL REPRESENTATIONS & WARRANTIES OF PRODUCER

(F) All information provided above is complete and correct in all respects and the policies listed above are or will be in force on the stated Effective Date and delivered by Producer to the Borrower, except for assigned risk or residual market policies.

(G) If any information listed above is or becomes incomplete or inaccurate, Producer shall promptly provide correct information to Lender.

(H) The Producer is an authorized policy issuing agent of the companies issuing the policies listed above or is the authorized agent of the MGA or broker placing the coverage directly with the insuring company, except those policies indicated with an "X".

(I) None of the policies listed above are subject to reporting or retrospective rating provisions. All policies subject to audit, minimum or fully earned premium provisions are indicated below:

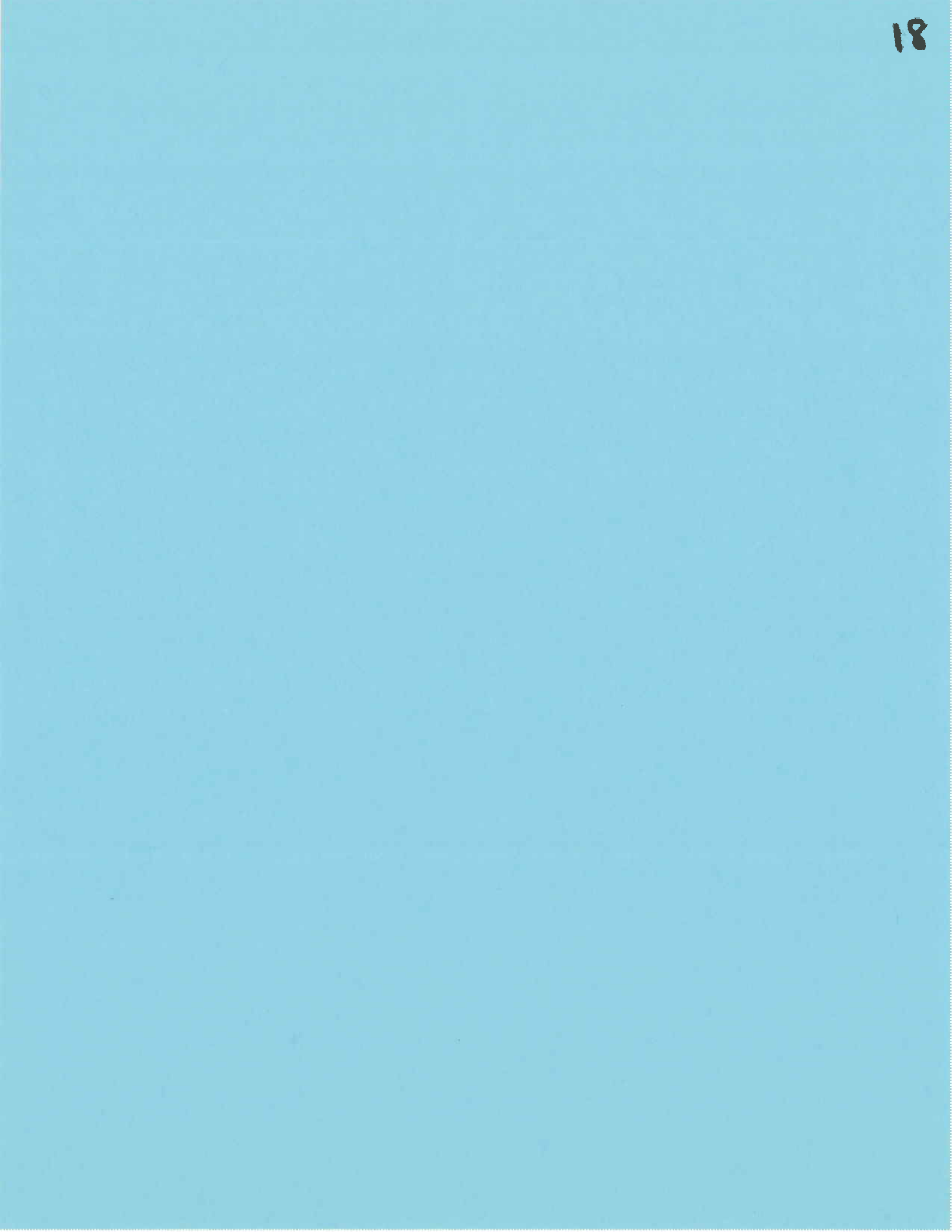
Policy No and Prefix No:

(J) Except as indicated above, all Scheduled Policies of Insurance can be cancelled by Borrower or Lender on 10 days notice and the unearned premiums will be computed pro rata or on the standard short rate table.

(K) If any Scheduled Policies of Insurance are subject to audit, Producer and Borrower have made good faith determination that the deposit, provisional or initial premiums are not less than the anticipated premiums to be earned for the full term of the policies.

(L) Upon cancellation of any of the Scheduled Policies of Insurance, Producer shall remit to Lender the full amount of the unearned premium, including unearned commission, as well as any other payments or credits received by Producer, up to the unpaid balance due under this Agreement, within 15 days of receipt from the insuring company.

DOCUMENTARY STAMPS REQUIRED BY LAW IF ANY ARE AFFIXED TO MONTHLY JOURNAL AND CANCELS



PREMIUM ASSIGNMENT CORPORATION

PREMIUM FINANCE AGREEMENT

Massachusetts

P.O. Box 3066 - 3522 Thomasville Rd.

Tallahassee, FL 32315

Phone 850-907-5610

☐ PERSONAL ☒ COMMERCIAL ☒ NEW ☐ AGENCY RENEWAL ☐ ADD'L PREMIUM
THIS AGREEMENT, made effective the 7 day of November 2007, betweenALLIANCE DETECTIVE & SECURITY SERVICE INC.

(Name of Borrower/Insured exactly as it appears in financed policies)

SSN OR TAX # _____

ADDRESS 930 BROADWAYCITY EVERETTSTATE MAZIP 02149

PHONE # _____

hereinafter called the Borrower, and Premium Assignment Corporation, a Florida Corporation hereinafter called Lender, for the purpose of financing the purchase of insurance policies described in the Scheduled Policies of Insurance listed in page 3 to this Agreement.

TOTAL PRICE OF PREMIUMS	CASH DOWN PAYMENT	PRINCIPAL BALANCE OWED ON PREMIUMS	+ DOC STAMPS & SERVICE FEE (if applicable)	TOTAL AMOUNT FINANCED	+ FINANCE CHARGE (Amount credit costs over term of loan)	TOTAL OF PAYMENTS (Amount paid if all payments made as scheduled)	ANNUAL INTEREST RATE
32,800.00	6,560.00	26,240.00	0.00	26,240.00	1,000.00	27,240.00	8.23

SELECT BILLING OPTION: ☐ Payment Book ☒ Monthly Invoice

YOUR PAYMENT SCHEDULE WILL BE:

Each monthly payment due on same day of each succeeding month until paid in full.

Amount of Monthly Payment

2,724.00

Number of Payments

10

Date First Payment is Due

12/7/2007

FOR VALUE RECEIVED, BORROWER PROMISES TO PAY to the order of Lender at the address given at the top of this page, the Total Amount Financed and all sums shown above, including interest at the Annual Interest Rate and other charges as described hereinafter, pursuant to the terms stated below and in page 2 of this Agreement.

1. **SECURITY FOR PAYMENT:** To secure payment of all sums due under this Agreement, Borrower grants Lender a security interest in any unearned premiums or other sums which may become payable under the Scheduled Policies of Insurance shown on page 3.2. **LIMITED POWER OF ATTORNEY:** BORROWER IRREVOCABLY APPOINTS LENDER AS ATTORNEY-IN-FACT TO CANCEL THE SCHEDULED POLICIES OF INSURANCE AFTER BORROWER DEFAULTS IN MAKING PAYMENTS UNDER THIS AGREEMENT.

3. **NOTICE TO BORROWER:** (1) Do not sign this Agreement before you read it, or if it contains any blank space (other than as provided on the next page). (2) You are entitled to have and should retain a completely filled in copy of this Agreement to protect your legal rights. (3) Under the law, you have the right to pay off in advance the full amount due and under certain conditions to obtain a partial refund of the service charge, and (4) BY SIGNING BELOW BORROWER AGREES TO THE PROVISIONS ABOVE AND ALL OF THE TERMS WHICH APPEAR ON THE SECOND PAGE OF THIS AGREEMENT AND ACKNOWLEDGES RECEIPT OF COPIES OF PAGES 1, 2 AND 3 OF THIS AGREEMENT.

SIGNATURE OF ALL INSURED[S] NAMED IN POLICIES OR AUTHORIZED AGENT OF INSURED[S], AS PERMITTED BY LAW:

11-12/07x Marianne Padua
 Date Name and Title:

Date Name and Title:

PRODUCER'S REPRESENTATIONS & WARRANTIES:

The undersigned Producer represents and warrants that: (A) The Cash Down Payment shown above has been paid by or on behalf of the Borrower. (B) The Total Price of Premiums shown above has been or will be used to purchase insurance policies shown in the Scheduled Policies of Insurance on page 3 of this Agreement. Any portion of the Total Price of Premiums received by Producer that is not used to purchase such insurance policies, as well as any refunds or credits on such policies, shall be promptly paid to Lender. (C) To the best of the undersigned's knowledge and belief, Borrower is not subject to any bankruptcy or insolvency proceedings and Producer has no reason to believe that Borrower is insolvent. (D) The Borrower's signature(s) is (are) genuine and authorized, or to the extent permitted by applicable law, the Producer has been authorized by Borrower to sign this Agreement on Borrower's behalf. (E) Producer has delivered or will deliver a copy of this Agreement to Borrower. Producer agrees that the Representations & Warranties above, as well as those on page 3 of this Agreement, are a binding contract between Producer and Lender.

PRODUCER / AGENCY

Name KILGORE INS/PEABODYAddress 33 CENTENNIAL DRIVEPEABODY, MA 01960
11/28/07
 Date

Kathleen J Burke
 PRODUCER'S SIGNATURE

NOV 28 2007

IN CONSIDERATION of the payment by Lender of the Principal Balance Owed on Premiums shown on page 1 to the insurance companies named in the Scheduled Policies of Insurance shown on page 3 (or the agents of such companies), the Borrower agrees:

4. ACCEPTANCE DATE This Agreement is binding upon its acceptance by Lender. Acceptance shall occur upon payment of the Principal Balance Owed on Premiums to the insurance companies named in the Scheduled Policies of Insurance, or the agents of such companies.

5. PAYMENTS Borrower shall make payments directly to Lender in the amounts and at the same time specified on page 1 of this Agreement. Payments shall be made at Lender's address given at the top of page 1 or such other address as Lender may direct in writing. Payments made to any other address, person, firm, corporation or insurance agency (including but not limited to the Producer) shall not constitute payment to Lender. Payments received after cancellation of the Scheduled Policies of Insurance shall be credited to the unpaid balance due under this Agreement and shall not constitute reinstatement of the cancelled policies, nor shall it constitute a waiver by Lender of any rights.

6. LATE CHARGES If a payment is more than 10 days late, Borrower agrees to pay a late charge of 5% of the delinquent installment, unless prohibited by applicable law.

7. DEFAULT/CANCELLATION A default shall occur if Borrower fails to pay any sums required by this Agreement in a timely manner, including interest and Late Charges, or if Borrower fails to carry out any other obligations under this Agreement. After default, any unpaid balance of the Total Amount Financed shall become immediately due and payable in full and Lender may enforce its security interest and its rights under the Limited Power of Attorney. Interest will continue to accrue on the unpaid balance at the Annual Percentage Rate or maximum rate allowed by applicable law, at the option of Lender, until all balances owed under this Agreement are paid. Lender may request cancellation of all or any of the Scheduled Policies of Insurance at the earliest time after default permitted by applicable law. Should Lender cancel the Scheduled Policies of Insurance, Borrower agrees to pay Lender a cancellation fee of 2% of the balance as permitted by applicable law.

8. EXCESS INTEREST OR FEES It is the intent of the Lender that no interest, fee or charge in excess of that permitted by applicable law will be charged, taken or become payable under this Agreement. In the event it is determined that Lender has taken, charged or accrued interest, fees or charges in excess of that permitted under law, such excess shall be returned to Borrower or credited against the sum due Lender hereunder.

9. REFUNDS The Borrower will receive a refund of the finance charge if the account is prepaid in full prior to the last installment due date. The refund shall be computed according to applicable law subject to a nonrefundable service charge of \$16.

10. SHORTAGE OR OVERAGE OF RETURNED PREMIUM If Lender does not receive unearned premiums or other funds after cancellation or expiration of the Scheduled Policies of Insurance in an amount sufficient to pay the unpaid balance due under this Agreement, Borrower agrees to pay the deficiency to Lender on demand. Interest shall accrue on the deficiency at the Annual Percentage Rate, or the maximum rate allowed by applicable law, at the option of Lender. If the unearned premiums received by Lender are more than the amount due under this Agreement, the excess shall be returned to Borrower within the time allowed by applicable law. Borrower has no right to any excess of less than the minimum amount required to be paid by applicable law.

11. ATTORNEYS FEES/COURT COSTS Borrower agrees to pay all attorneys fees, expenses and costs incurred by Lender in collecting amounts due from Borrower under this Agreement, including attorneys fees incurred on appeal and in bankruptcy, unless prohibited or limited by applicable law.

12. LENDER RELATIONSHIP Borrower acknowledges that: (a) Lender is not an insurance agent nor an insurance company, (b) This Agreement is a financing agreement, and not an insurance policy or guarantee of insurance coverage, (c) Lender has played no part in the selection or structuring of the financed insurance policies, (d) Lender has no obligation to request reinstatement of any insurance policies properly cancelled after a default under this Agreement, and (e) The decision of whether to reinstate insurance coverage is made solely by the insurance companies providing coverage, not Lender.

13. ADDITIONAL PREMIUMS Lender may advance to Producer, as Borrower's agent, or to an insurance company any additional premiums that may become due, less normal down payment, adding the advanced amount, plus any finance charge, to Borrower's balance under this Agreement. However, any additional premium which is owed to the insurance company(ies) named in the Scheduled Policies of Insurance as a result of any misclassification of risk which is not paid in full or financed in this Agreement may result in cancellation of the coverage by the insurance company for nonpayment of premium. Lender's payment shall not be applied by the insurer to pay for any additional premium owed by Borrower as a result of any misclassification of risk.

14. LENDER LIABILITY Lender is not responsible for any damages resulting from cancellation of the Scheduled Policies of Insurance by Lender, as long as the cancellation was done in accordance with applicable law. Borrower shall be responsible for Lender's reasonable attorneys fees and expenses for any unsuccessful action filed by Borrower seeking damages for improper cancellation. Lender's liability for breach of this Agreement shall be limited to the Principal Balance Financed under this Agreement, if permitted by applicable law.

15. RETURNED CHECKS Borrower agrees to pay a returned check fee of \$10, as allowed by applicable law, for each of Borrower's checks returned to Lender for insufficient funds or because the insured has no account in the payor bank.

16. WARRANTIES OF BORROWER Borrower warrants that: (a) Each of the Scheduled Policies of Insurance have been issued or a binder has been issued; (b) Borrower has not and will not assign or encumber any unearned premium of the Scheduled Policies of Insurance or grant a power of attorney to cancel the Scheduled Policies of Insurance to anyone other than Lender until all sums due under this Agreement are paid in full; (c) Lender may assign all its rights under this Agreement as allowed by applicable law; (d) No proceeding in bankruptcy or insolvency has been instituted by or against Borrower or is contemplated by Borrower, and (e) No insurance financed by this Agreement was purchased for personal, family or household purposes, unless so indicated on page 1.

17. INTEREST CALCULATION Interest is computed on an annual basis of 12 months of 30 days on the balance of the Total Amount Financed, from the effective date of the earliest insurance policy for which premiums are being advanced to the date when all sums due under this Agreement are paid.

18. BLANK SPACES Borrower agrees that if any policy financed by this Agreement has not been issued at the time the Agreement is signed, the names of the insurance companies issuing the financed policies, the policy numbers and the due date of the first installment may be inserted in the Agreement after it is signed.

19. GOVERNING LAW The Parties agree that the law of the state in which this Agreement is executed shall control the interpretation of the Agreement and the rights of the parties, unless the Agreement is executed in a state without premium finance laws, in which case the law of the State of Florida shall govern.

20. SAVINGS CLAUSE The Parties agree that if one or more portions of this Agreement are found to be invalid or unenforceable for any reason, the remaining portions shall remain fully enforceable.

21. FINANCING OPTION Entry into this financing arrangement is not a condition of obtaining insurance. You may opt to pay the premium for such insurance without financing such premium, or to obtain financing from some other source if you choose.

035801

PREMIUM ASSIGNMENT
CORPORATION

FED: November 7, 2007; State: MA

SCHEDULED POLICIES OF INSURANCE

V7.1a(0)N15.35

11454

ALLIANCE DETECTIVE & SECURITY SERVICE INC.
930 BROADWAY
EVERETT, MA 02149

KILGORE INS/PEABODY
33 CENTENNIAL DRIVE
PEABODY, MA 01960
(978) 531-6550

Premium	Down Payment	Unpaid Balance	Doc Stamps/Fees	Amt. Financed	Finance Charges	Total / Payments
32,800.00	6,560.00 (20.00 %)	26,240.00	0.00	26,240.00	1,000.00	27,240.00

Payment	Payments	Rate	First Due	Type	Status	Contract Type
2,724.00	10	8.23 %	12/7/2007	INVOICE	NEW	COMMERCIAL

EFF DATE	COMPANY / BROKER	CITY	ST	CO. #	TYPE	POLICY NO.	TOTAL PREMIUM
EXP DATE					MEP		

11/7/2007	CO: TRAVELERS PROP CAS	BETHESDA	MD	83662	CRIM	98BY1048	11,840.00
11/7/2008	MGA: SZERLIP & CO	MILBURN	NJ	62764	0.00 %	312677	
						Taxes/Fees	5,000.00
						Total	16,840.00

11/7/2007	CO: WESTCHESTER FIRE INS	PHILADELPHI	PA	83179	EPLI	IN ISSUE	11,060.00
11/7/2008	MGA: SZERLIP & CO	MILBURN	NJ	62764	0.00 %		
						Taxes/Fees	4,900.00
						Total	15,960.00

11/7/07
11/7/08

AGENTS CONSULTING FEES 83698

\$ 9,900.00

32,800.00

Created By: 11454KB

Auth Code:

ADDITIONAL REPRESENTATIONS & WARRANTIES OF PRODUCER

(F) All information provided above is complete and correct in all respects and the policies listed above are or will be in force on the stated Effective Date and delivered by Producer to the Borrower, except for assigned risk or residual market policies.

(G) If any information listed above is or becomes incomplete or inaccurate, Producer shall promptly provide correct information to Lender.

(H) The Producer is an authorized policy issuing agent of the companies issuing the policies listed above or is the authorized agent of the MGA or broker placing the coverage directly with the insuring company, except those policies indicated with an "X".

(I) None of the policies listed above are subject to reporting or retrospective rating provisions. All policies subject to audit, minimum or fully earned premium provisions are indicated below:

Policy No and Prefix No:

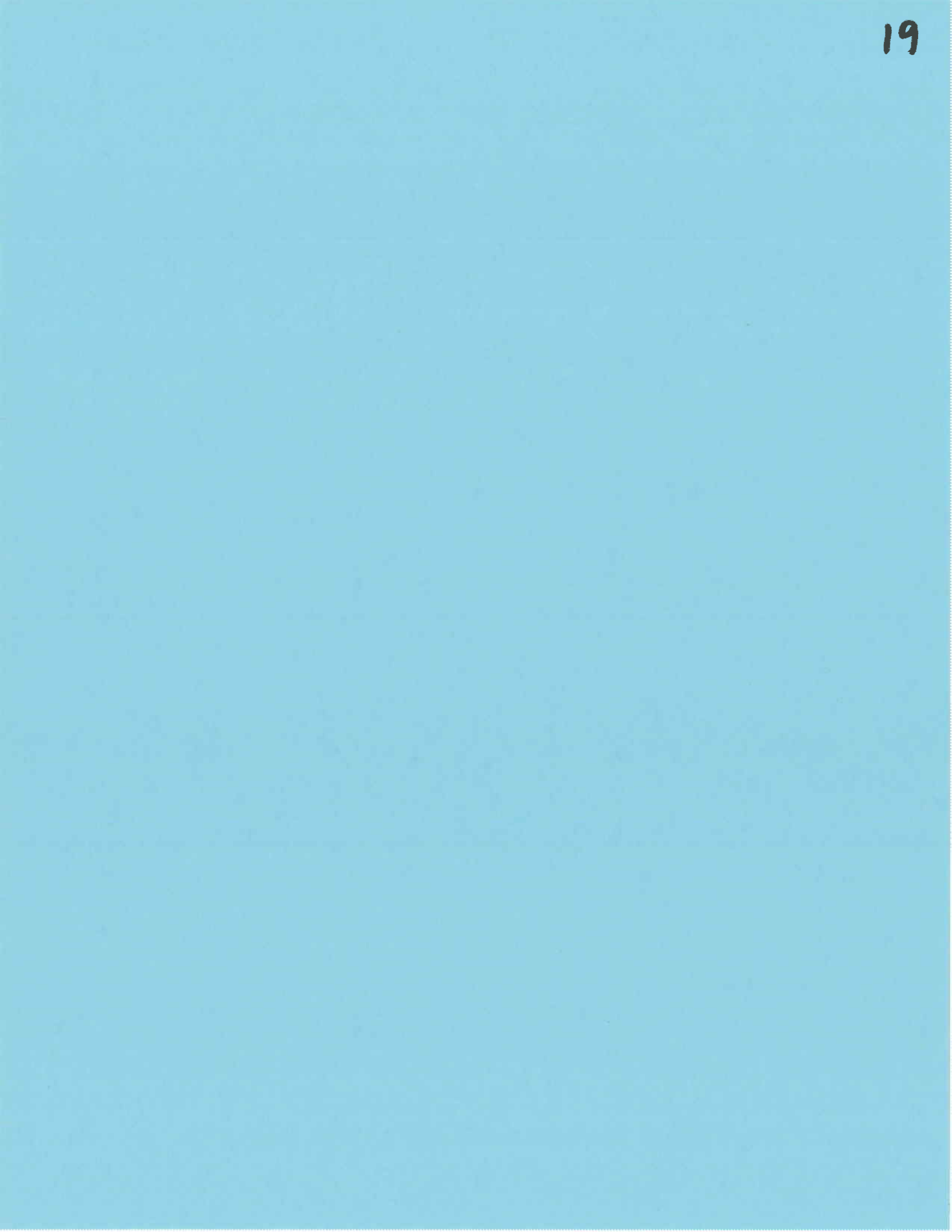
(J) Except as indicated above, all Scheduled Policies of Insurance can be cancelled by Borrower or Lender on 10 days notice and the unearned premiums will be computed pro rata or on the standard short rate table.

(K) If any Scheduled Policies of Insurance are subject to audit, Producer and Borrower have made good faith determination that the deposit, provisional or initial premiums are not less than the anticipated premiums to be earned for the full term of the policy(ies).

(L) Upon cancellation of any of the Scheduled Policies of Insurance, Producer shall remit to Lender the full amount of the unearned premium, including unearned commission, as well as any other payments or credits received by Producer, up to the unpaid balance due under this Agreement within 15 days of receipt from the insuring company.

DOCUMENTARY STAMPS REQUIRED BY LAW IF ANY ARE AFFIXED TO MONTHLY JOURNAL AND CANCELLED.

PAC 453





Primary Commercial General Liability Insurance Proposal Prepared for:

American Flagging & Traffic Control

Policy Exclusions All exclusions listed in the Commercial General Liability Coverage Form CG0001 (12/04) unless otherwise amended by endorsement and referenced in this proposal, Employment Related Practices; Fungi or Bacteria, Securities & Financial Interest; Territory Limitation, Total Pollution with a Building Heating, Cooling & Dehumidifying Equipment Exception and Hostile Fire Exception; Total Asbestos; War or Terrorism, Lead Contamination

Class Code	Description	Rate	Exposure	Expos Type	Deductible
98751	Security and Patrol Agencies	40.000	\$240,000	Payroll	\$1,000

Premiums	Without Certified Terrorism Endorsement	With Certified Terrorism Endorsement
Standard Premium:	\$9,600.00	\$10,560.00
Optional Coverage:	\$0.00	\$0.00
Annual Premium:	\$9,600.00	\$10,560.00
State Tax:	\$187.00	\$216.20
Stamping Fees:	\$0.00	\$0.00
Processing & Filing Fee:	\$250.00	\$250.00
Total Premium:	\$10,047.00	\$11,026.20
Commission:	\$960.00	\$1,056.00
Net Premium Due:	\$9,087.00	\$9,970.20

All endorsement premiums are fully earned.

- Conditions to Bind:
- ☐ Signed and Dated Mechanic Group Application – must be signed by an owner or principal
 - ☐ Five Year Currently Valued Loss Runs
 - ☒ Certified Terrorism Disclosure - signed by the applicant, indicating acceptance or rejection of coverage
 - ☒ State Surplus Lines Forms (if applicable)
 - ☐
 - ☐

If proposal is acceptable, please sign below and return to our office (fax: 845-735-8383)

Andrew W. Crouther
Signature

11/14/07
Date

The proposal of coverage herein is only illustrative and is not intended as a policy of insurance, binder or statement of coverage of any policy of insurance. In every instance, the policy is the only accepted statement of coverage. This is not a binder or confirmation of insurance. I acknowledge that corporations or individuals insured by surplus lines carriers do not have the protection of individual state insurance guarantee acts to the extent of any right of recovery of the obligation of an insolvent carrier. The Mechanic Group will be held harmless for any damages arising out of the failure of the carrier to fulfill any of its obligations. In addition, The Mechanic Group, Inc. performs substantial services in connection with this policy. These services include but are not limited to procurement of original policies and certificates, negotiations of classifications, rates and premiums; filing of paperwork required by regulatory agencies; assistance in claims processing and handling; assistance in billing and payment matters. In view of the above, it is necessary for The Mechanic Group, Inc. to charge the processing fee shown. By signing this memorandum, you agree to pay this processing fee at policy inception. Please note that this quote is based on the coverage, terms and conditions listed above, which may be different from those requested in your original submission. As you are the representative of the insured, it is incumbent upon you to review the terms of this quote carefully with your insured and reconcile any differences from the terms requested in the original submission. The Mechanic Group, Inc. disclaims any responsibility for your failure to reconcile with the insured any differences between the terms quoted below and those terms originally requested. This coverage may not be bound without a fully executed brokerage agreement.

Insured American Flagging & Traffic Control
Quote Date 11/13/2007
Insurance Company Gemini Insurance Company

Quote Number 11/14/07-02

NOTICE - OFFER OF TERRORISM COVERAGE
NOTICE - DISCLOSURE OF PREMIUM

The Terrorism Risk Insurance Act of 2002, as extended in December 2005, established a program within the U.S. Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. The Act applies when the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General, certifies that an event meets the definition of an act of terrorism. The Act provides that, to be certified, an act of terrorism must have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest to coerce the civilian population of the United States or to influence the policy or affect the conduct of the U.S. Government by coercion.

In accordance with the Terrorism Risk Insurance Act, we are required to offer you coverage for losses resulting from an act of terrorism that is certified under the federal program. The policy's other provisions will still apply to such an act. Your decision is needed on this question: do you choose to pay the premium for terrorism coverage stated in this offer of coverage, or do you reject the offer of coverage and not pay the premium? You may accept or reject this offer:

DISCLOSURE OF PREMIUM AND ACCEPTANCE OR REJECTION OF OFFER

<input checked="" type="checkbox"/>	I hereby elect to purchase certified terrorism coverage for an Annual premium of	\$979.20
	A) Premium through end of 12/31/07	\$128.37
	B) Estimated Premium beyond 12/31/07	\$850.83
	I understand that the federal Terrorism Risk Insurance Extension Act of 2005 may terminate on December 31, 2007. Should that occur my coverage for terrorism as defined by the Act will also terminate.	
	This premium does not include any charges for the portion of the loss covered by the federal government	
<input type="checkbox"/>	I hereby reject the purchase of certified terrorism coverage. I understand that by rejecting this offer, I will have no coverage for losses arising from an act of terrorism as defined above.	

IMPORTANT: Please note that even if you elect to purchase this coverage, losses caused by war may be excluded from coverage under your policy. Losses resulting from terrorist acts that the Secretary of the Treasury fails to certify as falling within the federal Terrorism Insurance Program also will be excluded from coverage where permitted by state law.

THE PERSON SIGNING THIS NOTICE REPRESENTS SHE OR HE HAS THE REQUISITE AUTHORITY TO BIND THE NAMED INSURED AND YOU WAIVE ANY AND ALL RIGHT YOU MAY HAVE TO REPUDIATE THIS NOTICE ON THE BASIS OF A SUBSEQUENT DEMOTION OR DISMISSAL OF THE PERSON SIGNING THIS NOTICE ON YOUR BEHALF.


Applicant's/Named Insured's Signature

American Flagging & Traffic Control
Joseph Dunlap
Print Name of Person Signing and Relationship to Applicant/Named Insured

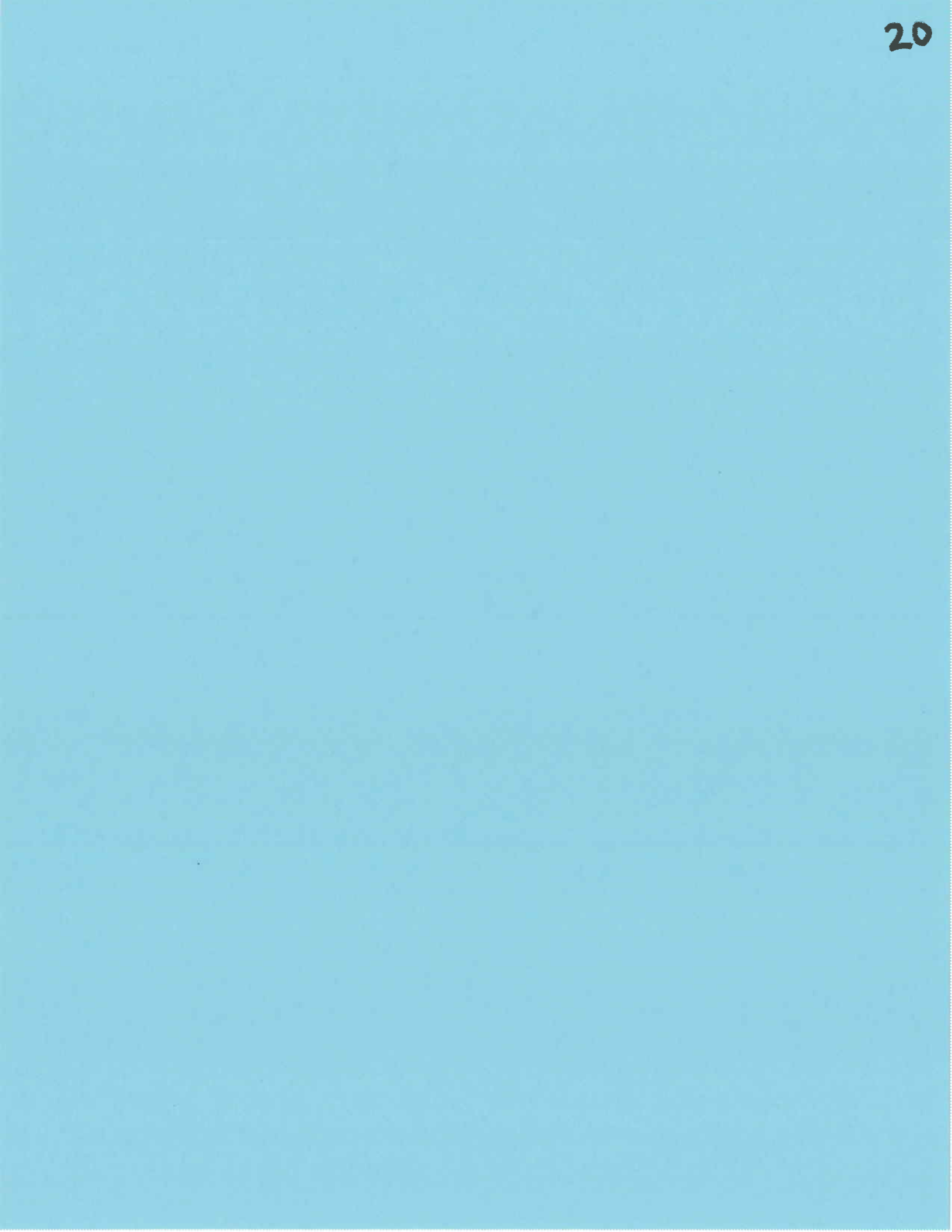
11/14/07
Date

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share generally equals ninety (90) percent (eighty-five (85) percent in 2007) of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

THE SUMMARY OF THE ACT AND THE COVERAGE UNDER YOUR POLICY CONTAINED IN THIS NOTICE IS NECESSARILY GENERAL IN NATURE. YOUR POLICY CONTAINS SPECIFIC TERMS, DEFINITIONS, EXCLUSIONS AND CONDITIONS. IN CASE OF ANY CONFLICT, YOUR POLICY LANGUAGE WILL CONTROL THE RESOLUTION OF ALL COVERAGE QUESTIONS. PLEASE READ YOUR POLICY CAREFULLY.

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WESTERN WORLD INSURANCE GROUP

**NOTICE - OFFER OF TERRORISM COVERAGE
NOTICE - DISCLOSURE OF PREMIUM
GENERAL LIABILITY AND PROPERTY**

The Terrorism Risk Insurance Extension Act of 2005 establishes a program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. The Act provides that, to be certified, an act of terrorism must cause losses of at least fifty million dollars in 2006 or one hundred million dollars in 2007 and must have been committed by an individual or individual's acting on behalf of any foreign person or foreign interest to coerce the government or population of the United States.

In accordance with the Terrorism Risk Insurance Extension Act of 2005, we are required to offer you coverage for losses resulting from an act of terrorism that is certified under the federal program as an act of terrorism committed by an individual(s) acting on behalf of a foreign person or foreign interest. The policy's other provisions will still apply to such an act. Your decision is needed on this question: do you choose to pay the premium for terrorism coverage stated in this offer of coverage, or do you reject the offer of coverage and not pay the premium? You may accept or reject this offer.

See the section of this Notice titled DISCLOSURE OF PREMIUM. If you choose to accept this offer of coverage, your premium will include the additional premium for terrorism as stated in such DISCLOSURE.

Failure to pay the premium by the due date will constitute rejection of the offer and your policy will be written to exclude the described coverage.

You may choose to reject the offer by signing the enclosed statement and returning it to us, and your policy will be written to exclude the described coverage.

ACCEPTANCE OR REJECTION OF CERTIFIED TERRORISM INSURANCE COVERAGE (CHECK ONE)

☐ I hereby reject the offer of certified terrorism coverage.

☒ I hereby accept the offer of certified terrorism coverage for a prospective premium.

DISCLOSURE OF PREMIUM

If you accept this offer, the premium for terrorism coverage is \$1,066.00

Thomas Roache
Policyholder/Applicant's Signature

Security III, Inc.
Account Name

THOMAS ROACHE
Print Name

4-7-06
Date

PGL 733 864
Policy Number

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 90% in 2006 and 85% in 2007 of that portion of the amount of such insured losses that exceeds the applicable insurer deductible.

Western World Insurance Company - Tudor Insurance Company - Stratford Insurance Company
400 Parson's Pond Drive Franklin Lakes, NJ 07417-2606
Telephone: (201) 447-3608

WW 405C 0010661

Kilgore Insurance Agency
33 Centennial Drive
Peabody, MA 01960
Phone (978) 531-6550
Fax (978) 531-9442

To: Kim Potvin Date: 4-11-07
Mechanic Group
Fax#: 845-735-8383
RE: Security III

Number of Pages to Follow: 2

Please bind General Liability coverage effective 4-11-07 for the above referenced insured per your quote dated 4-9-07 for premium of total \$12,565.68 which includes Terrorism coverage, State tax and filing fees - with no commission to our agency - Attached please find signed binding page and TRIA form.

Any questions, please feel free to call. Thank you

Lisa DiCenso

lilsadicenso@onceanddone.com



Primary Commercial General Liability Insurance Proposal Prepared for:

Security III, Inc.

Policy Exclusions

Bars, Nightclubs, & Taverns (non alarm only); Employment Related Practices; Fungi or Bacteria; New Entities; Securities & Financial Interest; Territory Limitation; Standard ISO Exclusions; Total Pollution with hostile fire exception; Total Asbestos; War or Terrorism; Lead Contamination; Airport; Canine; Punitive & Exemplary Damages.

Class Code	Description	Rate	Exposure	Expos Type	Deductible(*)
98751	Security and Patrol Agencies	51.260	\$210,000	Payroll	\$1,000

(*) Deductible Per claim, defense & investigative expenses included

Premiums	Without Certified Terrorism Endorsement	With Certified Terrorism Endorsement
Standard Premium:	\$10,765.00	\$11,842.00
Optional Coverage:	\$0.00	\$0.00
Annual Premium:	\$10,765.00	\$11,842.00
State Tax:	\$430.60	\$473.68
Stamping Fees:	\$0.00	\$0.00
Processing & Filing Fee:	\$250.00	\$250.00
Total Premium:	\$11,445.60	\$12,565.68
Commission:	\$1,076.60	\$1,184.20
Net Premium Due:	\$10,369.00	\$11,381.48

Estimated Annual Premium subject to Audit

Conditions to Bind:

- ☐ Signed and Dated Mechanic Group Application -- must be signed by an owner or principal
- ☐ Five Year Currently Valued Loss Runs
- ☒ Certified Terrorism Disclosure - signed by the applicant, indicating acceptance or rejection of coverage
- ☐ State Surplus Lines Forms (if applicable)
- ☐
- ☐

If proposal is acceptable, please sign below and return to our office (fax: 845-735-8383)

Andrew W. Bowler
Signature

Date

4-11-07

The proposal of coverage herein is only illustrative and is not intended as a policy of insurance, binder or statement of coverage of any policy of insurance. In every instance, the policy is the only accepted statement of coverage. This is not a binder or confirmation of insurance. I acknowledge that corporations or individuals insured by surplus lines carriers do not have the protection of individual state insurance guarantee acts to the extent of any right of recovery of the obligation of an insolvent carrier. The Mechanic Group will be held harmless for any damages arising out of the failure of the carrier to fulfill any of its obligations. In addition, The Mechanic Group, Inc. performs substantial services in connection with this policy. These services include but are not limited to procurement of original policies and certificates, negotiations of classifications, rates and premiums; filing of paperwork required by regulatory agencies; assistance in claims processing and handling; assistance in billing and payment matters. In view of the above, it is necessary for The Mechanic Group, Inc. to charge the processing fee shown. By signing this memorandum, you agree to pay this processing fee at policy inception. Please note that this quote is based on the coverage, terms and conditions listed above, which may be different from those requested in your original submission. As you are the representative of the Insured, it is incumbent upon you to review the terms of this quote carefully with your insured and reconcile any differences from the terms requested in the original submission. The Mechanic Group, Inc. disclaims any responsibility for your failure to reconcile with the insured any differences between the terms quoted below and those terms originally requested. This coverage may not be bound without a fully executed brokerage agreement.

WESTERN WORLD INSURANCE GROUP

**NOTICE - OFFER OF TERRORISM COVERAGE
NOTICE - DISCLOSURE OF PREMIUM
GENERAL LIABILITY AND PROPERTY**

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See the section of this Notice titled DISCLOSURE OF PREMIUM. If you choose to accept this offer of coverage, your premium will include the additional premium for terrorism as stated in such DISCLOSURE.

Failure to pay the premium by the due date will constitute rejection of the offer and your policy will be written to exclude the described coverage.

You may choose to reject the offer by signing the enclosed statement and returning it to us, and your policy will be written to exclude the described coverage.

ACCEPTANCE OR REJECTION OF CERTIFIED TERRORISM INSURANCE COVERAGE (CHECK ONE)

- ☐ I hereby reject the offer of certified terrorism coverage.
☒ I hereby accept the offer of certified terrorism coverage for a prospective premium.

DISCLOSURE OF PREMIUM

If you accept this offer, the premium for terrorism coverage is \$1,120.08



Policyholder/Applicant's Signature

Security III, Inc.

Account Name

Thomas Roche

Print Name

4/11/07

Date

PGL157374

Policy Number

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 90% in 2006 and 85% in 2007 of that portion of the amount of such insured losses that exceeds the applicable insurer deductible.

Western World Insurance Company - Tudor Insurance Company - Stratford Insurance Company
400 Parson's Pond Drive Franklin Lakes, NJ 07417-2600
Telephone: (201) 847-8600

WW 405C (01/06)