

Honeywell Security & Custom Electronics
10 Whitmore Road
Woodbridge, ON L4L 7Z4
905-856-2384
805-856-1139 Fax

December 15, 2006

Dear AlarmNet Customer:

Across North American, the cellular industry is transitioning their traditional AMPS (analogue) networks to digital networks. Rogers Wireless has informed AlarmNet's technology partner, Aeris.com, that they will terminate AMPS service effective May 31, 2007. Rogers provides A-side AMPS cellular coverage in Canada under a nationwide license.

Aeris maintains AMPS MicroBurst service in certain, but not all, regions in Canada through the B-side carriers, specifically Aliant Mobility in Atlantic Canada, Bell Mobility in Québec and Ontario, MTS Mobility in Manitoba and Sasktel Mobility in Saskatchewan. The B-side carriers have not announced their plans with respect to AMPS coverage to Aeris. We believe, although we cannot guarantee, that most of this coverage will remain available at least through the United States FCC mandate to maintain AMPS service until February 2008 (Bell Mobility and Sasktel Mobility have advised CANASA that they will be maintaining their analogue cellular systems (which includes B-side service) until at least February 2008).

AlarmNet-C radios, when programmed to the "Auto" setting, will automatically roam to the strongest network signal, and will transparently move from one network to the other, without any interruption in service, and without a service call or downloading new instructions. This unique feature protects end-users, dealers and central stations from an out-of-service situation when the first network in an area dismantles their AMPS service, regardless of the network. It is our recommendation that all AlarmNet-C radios be programmed to "Auto", in areas where both A and B side service is available (see attached memo on how to do this for AlarmNet radios). We urge all of our dealers and central stations to work to reprogram radios as necessary as failure to program a radio to "Auto" will prevent B-side network service. If you are an end user, we urge you to contact your central station to determine whether your radio must be reprogrammed. For more info on programming to auto, please visit www.alarmnet.com.

AlarmNet, along with Aeris.net, is working vigorously on the new AlarmNet GSM radio solution planned to be deployed in Canada in early 2007. Upon completion of our AlarmNet GSM solution, existing AlarmNet-C radios can be replaced with AlarmNet GSM radios and service for more sufficient coverage. We will keep you updated on these developments.

Thank you for your continued support of AlarmNet.

Sincerely,



Chris Welling
Vice President, Sales