

HARRINGTON SIGNAL INC. DISTRIBUTORSHIP TERMS AND CONDITIONS

1. **PRODUCT SALES.** ESD agrees to use its best efforts to promote the sale and sell Products, and to promote the name, interest and goodwill of Harrington in the Territory.
2. **INSTALLATION, REPAIRS, MAINTENANCE, AND SERVICE.** ESD agrees to install, maintain, repair, and service, Harrington Products in its nonexclusive territory in accordance with Harrington's written installation, maintenance, service and repair instructions, contained in the Installation & Operations Manual, plus all applicable fire, safety and other laws, statutes, ordinances, rules, regulations and standards, whether federal, state or local ("Laws"). ESD agrees to cooperate with Harrington in training ESD's personnel who will be involved in installation, maintenance, service or repair of Products ("ESD Service Personnel"). Notwithstanding such training of ESD Service Personnel by Harrington, ESD will be solely responsible for the proper training of ESD Service Personnel, including but not limited to, those ESD Service Personnel who attend Harrington training sessions.
3. **IMPERMISSIBLE SOLICITATIONS, SALES AND ACTIVITIES.** ESD agrees not to (a) solicit orders for Products from consumers for personal, family, or household use or from commercial customers located outside the Territory; or (b) sell, install or service Products outside the Territory. ESD agrees not to sell any Products to unauthorized resellers or distributors inside or outside of the Territory.
4. **LICENSES; LAWS.** ESD shall obtain and maintain all necessary licenses, permits and approvals which are necessary for it to sell, install, maintain or repair Products in the Territory. ESD will comply with all applicable Laws in the Territory, including without limitation, those dealing with the sale, installation, maintenance or repair of Products.
5. **ESD WARRANTY.** ESD is not authorized to make any representation or warranty with respect to the Products on behalf of Harrington. In addition, ESD will not make any representation or give any warranty or representation on its own behalf with respect to Products in favor of any purchaser beyond the scope of Harrington's then most current Fire Alarm Products Limited Warranty, except with Harrington's prior written consent.
6. **NON-EXCLUSIVE TERRITORY.** ESD may market and sell other fire alarm products in the Territory. Harrington may, in its sole discretion (a) appoint other distributors, representatives or dealers for the Products in the Territory; (b) make sales of Products directly to any customers in the Territory; or (c) discontinue the manufacture or distribution of any Products in the Territory; all without incurring any obligation or liability to ESD of any kind.

7. **LITERATURE.** Harrington will, at its expense, provide ESD with reasonable quantities of Harrington's descriptive, promotional and advertising materials, booklets, instructional materials, price lists and catalog sheets with respect to the Products. Harrington will also furnish ESD with technical information with respect to the Products and their installation, maintenance, servicing and repair. All such materials will be provided to ESD in the English language.

8. **TRAINING.** Harrington will, at its expense, provide and make available such training programs and materials in the English language as Harrington deems necessary to assist ESD in the training of its employees in the proper sales, use, installation, maintenance, service and repair of Products. All training programs shall be conducted at such times and dates as determined by Harrington at Harrington's headquarters in Moline, Illinois, or such other location(s) as Harrington may select. ESD shall be responsible for the transportation, lodging, meals, and other expenses of ESD's employees incurred while attending such training programs, unless otherwise expressly agreed to in writing by Harrington. The most current Harrington Training Policies are set forth at www.harringtonfire.com.

9. **FINANCIAL INFORMATION, REPORTS AND ACCESS TO RECORDS.** ESD agrees to (a) furnish Harrington with such records and reports relating to ESD's Product sales and promotions as may reasonably be requested by Harrington, including reports of trends and competitive activities in the Territory; (b) report promptly full information to Harrington to enable Harrington to ensure that the Products meet the requirements of all applicable Laws in the Territory (including but not limited to safety and labeling); (c) notify Harrington immediately of all accidents or incidents in the Territory involving Products as soon as ESD becomes aware of them; and (d) provide copies of its annual financial statements, and credit information that Harrington may reasonably require from time to time.

10. **INDEMNITY.** ESD agrees to indemnify and hold harmless Harrington, its subsidiary and affiliate companies or entities, and the officers, directors, employees and agents of any of the foregoing (the "Indemnified Parties") from and against any and all claims, damages, losses, expenses, suits, costs (including reasonable legal fees), fines or penalties sustained or incurred by, or asserted against, any of the Indemnified Parties which arise or result from, or relate to any: (a) negligent or wrongful act or omission of ESD, its employees, agents or contractors (the "ESD Responsible Parties"); (b) breach of this Agreement by any of the ESD's Responsible Parties; (c) violation of any Laws by any of the ESD Responsible Parties, including, without limitation, Occupational Safety and Health Laws; (d) any representation or warranty made by any of the ESD Responsible Parties in respect of the Products; or (e) ESD's operations, including, without limitation, the installation, maintenance, or repair of Products.

11. **ESD INSURANCE.** During the term of this Agreement and any extension or renewal thereof, ESD shall maintain insurance meeting the following minimum requirements: (a) Workers' Compensation Insurance (or its equivalent) in accordance with the requirements of applicable Laws; (b) Motor Vehicle Liability Insurance

(including comprehensive coverage and collision coverage) of at least \$2,000,000 for each occurrence of bodily injury, death, or property damage; and (c) Commercial General Liability Insurance (with the Indemnified Parties as additional insureds and including Products, Completed Operations, and Contractual Liability coverage insuring ESD's indemnification obligations under this Agreement) of at least \$2,000,000 for each occurrence of bodily injury, death, or property damage. From time to time, ESD shall provide Harrington with a certificate of insurance evidencing the insurance required to be maintained by it pursuant to this Agreement at Harrington's request, which certificate shall provide that the insurance carrier issuing such certificate shall endeavor to give Harrington 30 days' prior written notice of any cancellation of any policy or policies identified in the certificate before the effective date of the cancellation.

12. **TRADEMARKS.** ESD will not have nor will it acquire any rights in the trademarks, service marks, trade names, logo types or other commercial symbols designating Harrington or the Products or any other mark used by Harrington ("Marks"), other than to use such Marks in the advertising and marketing of the Products within the Territory during the term of this Agreement or any renewal thereof in strict accordance with the terms of this Agreement. All rights to and arising from the use of the Marks by ESD will accrue to Harrington, and ESD shall, at Harrington's request and expense at any time or times both during the life of this Agreement and after its termination, render all assistance to Harrington in the perfecting and documentation of such rights and in any assertion of such rights against actual or alleged infringers. ESD hereby assigns to Harrington any rights, equities, goodwill, titles, or other rights in and to the Marks, which rights otherwise may accrue to the ESD or vest in the ESD at any time. ESD will use the Marks only in the manner and style used by Harrington and in accordance with Harrington's Logo and Trademark Usage Policy, as amended or restated from time to time and posted at this website. **Error! Hyperlink reference not valid.** ESD will not use any of the Marks or any portion thereof in combination with any other design, name, term, phrase, mark or logo, nor as part of the name under which ESD conducts business. ESD shall promptly notify Harrington of any infringements, imitations or illegal use or misuse of any of the Marks which come to ESD's attention.

13. **OBLIGATIONS ON TERMINATION.**

a. Within thirty (30) days after termination of this Agreement, ESD will turn over to Harrington in accordance with Harrington's instructions and free of charge, all of ESD's sales, Product and service records, customer lists and other records and data relating to sales, installation and service of Products and any other activity of ESD pursuant to this Agreement.

b. Harrington's acceptance of any order form for sale of Products to ESD after termination of this Agreement will not be construed as a renewal or extension of this Agreement or a waiver of termination. All such transactions will be on an order-by-order basis and will be governed by provisions identical to the applicable provisions of this Agreement, except that all discounts to ESD will be at Category Level 1.

c. The following shall survive the termination of this Agreement:
(a) claims of one party against the other party that have accrued, in accordance with this Agreement, prior to the effective date of such termination; (b) covenants of indemnity or confidentiality provided in this Agreement; and (c) covenants and agreements to be performed and/or observed by either party under this Agreement after the expiration or termination of this Agreement or which by their nature survive such expiration or termination, including, but not limited to, the payment, warranty, indemnity, choice of law and venue, remedy and limitation of liability provisions of this Agreement.

14. **STATUS OF PARTIES.** ESD is acting under this Agreement as an independent contractor purchasing and reselling Products, as well as products of other manufacturers, and the management of ESD's business and the formulation of plans, policies and procedures for the operation of ESD's business are its sole prerogative and responsibility. Nothing contained in this Agreement will be interpreted or construed to characterize the relationship between Harrington and ESD as a joint venture, partnership, agency or franchise for any purpose.

15. **LIMITATION OF ACTIONS.** No suit or claim based on any cause of action, regardless of the legal theory, arising out of or in any way connected with this Agreement or any Products or services supplied to ESD by Harrington may be brought by ESD more than one year after such cause of action accrued.

16. **LIMITATION OF LIABILITY.** In no event shall Harrington be liable for any loss of actual or anticipated profits, loss of anticipated business, cost of substitute services, equipment or products, downtime costs or delay claims (whether direct or indirect) or for any other punitive, exemplary, special, indirect, incidental or consequential damages arising out of or relating to this Agreement or the supply of any services or Products to ESD by Harrington, even if Harrington was made aware of the possibility of such damages.

17. **SET OFFS.** ESD agrees that Harrington may withhold, set off, or deduct from any amount otherwise due to ESD, such amount as may be reasonably necessary to reimburse, indemnify, or protect Harrington from any expense, loss, or damage of any nature arising out of or relating to: (a) this Agreement or the provision of any Products or services to ESD by Harrington, or (b) any default of this Agreement or any act or omission by any of the ESD Responsible Parties.

18. **DEALER WARRANTY AND PRODUCT RECALL ASSISTANCE.** During and after the term of this Agreement, ESD shall take or perform all actions in respect of any Products sold or supplied to any customers of ESD or other Harrington distributors which are necessary with respect to any recall of the Products, including but not limited to, supplying Harrington with all information Harrington may require in respect of the name and location of such customers, the types of Products purchased by each customer, and the installation locations for each customer.

19. **GENERAL**

a. Assignment. Harrington has entered into this Agreement with ESD based on Harrington's evaluation of ESD's experience, capacity, and ability to sell, install, repair and service the Products. Accordingly, this Agreement and all of ESD's rights and obligations hereunder are personal to ESD, and ESD shall not voluntarily, involuntarily, or by operation of law, assign, delegate, subcontract, or otherwise transfer this Agreement or any of ESD's rights or obligations hereunder without Harrington's prior written consent. Harrington may assign, subcontract or delegate all or any part of Harrington's rights or obligations under this Agreement without ESD's consent. Subject to the foregoing, this Agreement shall enure to the benefit of, and be binding on, the parties and their successors and permitted assigns. No assignment, subcontract, delegation, or transfer of this Agreement or any of ESD's rights or obligations hereunder by ESD and no granting of any approval or consent thereto by Harrington shall relieve ESD or any of its liabilities or obligations under this Agreement. Without limiting the generality of the foregoing, ESD shall properly direct and control its subcontractors and shall have full responsibility for all Products and services provided by them on behalf of ESD hereunder. Nothing contained in this Agreement and no act of ESD shall create any contractual relationship between any subcontractor of ESD and Harrington.

b. Severability. The parties intend that all of the provisions of this Agreement are to be enforceable to the maximum extent permitted by law. If any provision of this Agreement is held by a court of competent jurisdiction to be illegal or unenforceable, it shall be reformed to the least extent necessary to be lawful and enforceable in the opinion of the court. If any provision of this Agreement is held by a court of competent jurisdiction to be illegal or unenforceable, the illegality or unenforceability of that provision will not affect the legality or enforceability of the remaining provisions of this Agreement.

c. Notices. Except for changes to the Sales Terms and Conditions or Harrington's Logo and Trademark Usage Policy or Fire Alarm Products Limited Warranty, which are effective 60 days after posting at this website, a notice required to be given under this Agreement will be in writing and may be delivered personally or sent by facsimile with return confirmation; or by certified, prepaid mail; or by recognized overnight courier service to the party's address for notices or facsimile number set forth on the signature page of this Agreement. Either party may change its address or facsimile number for purposes of this Agreement by written notice in accordance with this subparagraph.

d. Governing Law; Jury Waiver; Venue. Federal laws and the laws of the State of Illinois shall govern the interpretation, validity and enforceability of this Agreement, excluding Illinois law with respect to conflicts of law. The parties waive any right to a jury trial in any proceeding, action or suit between the parties

relating to or arising out of this Agreement or any Product or service supplied by Harrington to ESD and agree: (a) that all court proceedings, actions or suits which may be brought by either party against the other party relating to any of the foregoing shall be brought exclusively in a court of competent jurisdiction in the State of Illinois; and (b) to submit to the exclusive jurisdiction of such court in the event it is named as a party in any such proceeding, action or suit.

e. Entire Agreement; Amendment; Waiver; Remedies Cumulative.

This Agreement, including its exhibits, is the entire agreement between Harrington and ESD concerning the subject of this Agreement and supersedes all prior and contemporaneous agreements between the parties. Except as this Agreement permits Harrington to modify its list prices and the Sales Terms and Conditions, the Logo and Trademark Usage Policy, and the Fire Alarm Products Limited Warranty from time to time, this Agreement may be amended only by an instrument in writing signed by both parties which expressly refers to this Agreement and specifically states that it is intended to amend it. The failure of either party to enforce at any time any of the provisions of this Agreement will not be construed to be a waiver of such provision or of the right of that party to subsequently enforce any such provision.

f. Confidentiality. This Agreement (including all pricing terms) is confidential and shall not be disclosed, orally or in writing, by ESD to any third party without the prior written consent of Harrington.

g. Rights and Remedies Cumulative. Unless otherwise expressly provided herein, the rights and remedies of the parties are cumulative and are not exclusive of any other rights or remedies which the parties would otherwise have at law, in equity, or otherwise. The exercise by either party of any right or remedy does not preclude the exercise of any other rights or remedies in this Agreement or that may now or subsequently exist in law, in equity or otherwise.

h. Interpretation. In this Agreement, words and defined terms or phrases importing the singular include the plural and vice versa, and the use of any gender is applicable to any other gender. All references to currency in this Agreement shall mean legal tender of the United States of America. With respect to any provision in this Agreement where Harrington is permitted to amend, replace, or substitute any procedures, standards, or specifications or to make modifications, determinations, elections, or exceptions with respect to any matter, such actions shall be within its sole and absolute discretion, unless otherwise expressly provided. This Agreement and its components (the Distributorship Terms and Conditions, the Sales Terms and Conditions, the Logo and Trademark Usage Policy, and the Fire Alarm Products Limited Warranty) are intended by the parties to be complementary; however, in the event of inconsistencies between any provision of the Distributorship Terms and Conditions and the provisions of the Sales Terms and Conditions, the provisions of the Sales Terms and Conditions shall control. In the event of inconsistencies

between the provision of the Sales Terms and Conditions and the Fire Alarm Products Limited Warranty, the provisions of the Fire Alarm Products Limited Warranty shall control.

DT & C 10.11.10 (S)