



Detection Systems, Inc.

130 Perinton Parkway, Fairport, NY 14450 • 800-289-0096 •

www.detectionsys.com

SECURITY ESCORT PRODUCTS DEALER AGREEMENT

THIS AGREEMENT is entered into effect as of the _____ of _____ between Detection Systems, Inc., a New York corporation ("DSI") and _____ corporation.

RECITALS

A. DSI is engaged in the business of designing, developing, manufacturing, and selling professional alarm control systems, peripheral devices and components.

B. DSI is offering Dealer the right to purchase products found in the Product Catalog which are listed by category on the Security Escort Product Line attachment.

C. Dealer desires to purchase from DSI those products included under the Product Catalog categories listed on the Security Escort Product Line attachment.

AGREEMENT

IN CONSIDERATION of the foregoing recitals and the mutual promises contained herein, the parties hereby agree as follows:

1. CERTAIN DEFINITIONS

1.1 Products mean only those products included under the Product Catalog categories listed on the Security Escort Product Line attachment.

1.2 "Proprietary Rights" mean all DSI worldwide patent rights, patent applications, rights to apply for patents, copyrights, copyright registrations, trade secrets, service marks, trademarks, service mark and trademark registrations, related goodwill and confidential and proprietary information.

1.3 "Terms and Conditions" mean the terms and conditions of sale for the products (e.g., delivery, risk of loss, limited warranty, etc.) as more particularly described in the Product Catalog and as amended from time to time. DSI reserves the right to change any or all of the terms and conditions upon thirty (30) days' prior written notice to Dealer.

2. **TERM.** The term of this agreement will commence on the date hereof and will continue for a period of one (1) year and automatically renew for consecutive six (6) month terms unless otherwise terminated as provided herein.

3. SCOPE OF RIGHTS

3.1 Appointment as Dealer. DSI hereby appoints Dealer as its Security Escort Products Dealer for products for use within the primary territory. Subject to the terms and conditions of this Agreement, DSI grants Dealer the non-exclusive, non-transferable right to resell, install and maintain products.

3.2 Non-Exclusivity. Dealer understands and agrees that during the period this Agreement is in force, DSI has the right to distribute products within Dealer's primary territory, or portions thereof, through other dealers, whether already in existence or subsequently appointed. Any sales of products through such other dealers shall not be credited to Dealer's annual sales quota.

Territory. Dealer's primary territory shall consist of the following: _____



3.3 Dealer Acceptance. Dealer hereby accepts the appointment on the terms and conditions set forth in this Agreement and in the Terms and Conditions described in the Product Catalog, as amended from time to time, and represents that it will use its best efforts to promote vigorously and aggressively the sale of the products in the primary territory, and respond promptly to all inquiries and requests within the primary territory for information relating to the products. Dealer understands and agrees to actively market the products as part of normal ongoing business activities.

3.4 Distribution. Dealer agrees to refrain from reselling products to other resellers unless written approval for such resale transaction is received from DSI prior to the transaction.

4. PRICE AND TERMS

4.1 Price List of Products. Price list of products shall initially be as set forth in the DSI price list. DSI reserves the right to change any or all of the list prices upon thirty (30) days' prior written notice to Dealer.

4.2 Warranty and Additional Terms. All products purchased pursuant to this Agreement are subject to DSI's limited warranty as more particularly described in the Product Catalog, as amended from time to time. All other terms and conditions of sale of the products shall be set forth in the Terms and Conditions of Sale section of the Product Catalog, as amended from time to time.

5. **TAXES.** Sales, use and other related taxes will be charged where applicable unless Dealer has provided DSI with a certificate of exemption prior to placing the order.

6. **SALES QUOTAS.** As a DSI Security Escort Products Dealer, Dealer hereby commits to the following level of purchases (quotas):

Escort Systems - First Year: 3 systems or \$50,000 in sales/purchases

6.1 Failure to Meet Sales Quota. In the event that Dealer fails to meet its sales quota or is otherwise in default under this Agreement, Dealer will have thirty (30) days to cure such failure. Product usage will be reviewed semiannually.

7. **TRAINING.** As a DSI Security Escort Products Dealer, during the term of this Agreement, Dealer's qualified personnel will be entitled to receive advanced sales and technical training in the operation and maintenance of products ordered under this Agreement. Technical training on the products will be conducted at a location determined by DSI and at DSI's headquarters in Fairport, NY. Successful completion of training on the products is required to qualify as a Dealer. Initial minimum training for certification will be two (2) sales persons and two (2) technicians. After successful completion of each technical training class, the technician will be only certified to install, service and maintain the products. Only certified technicians have access to DSI telephone technical support for products. The Dealer is required to maintain at least two (2) factory trained technicians on staff at all times.

7.1 It is required that all DSI Security Escort Product Dealers purchase a demo kit during time of training, in order to further assist in his/her efforts to promote the Security Escort System.

8. DEALER REPRESENTATIONS

8.1 DSI as Supplier of Products. Dealer understands that DSI is in the business of providing products which fall within the general field of electronic security products.

A) Such products include, but without being limited thereto, so-called central console, output modules, audible signal devices, receivers, transponders and communication links. Some of these products are manufactured by DSI. Others are purchased from third parties and resold by DSI.

8.2 Dealer Responsibilities. Dealer represents that it has the experience, skills, facilities and personnel to perform the activities described below, and DSI relies on Dealer to do so. It is expressly understood and agreed that DSI does not, and is not expected to perform any of these activities, and Dealer agrees to indemnify and hold harmless DSI and its agents and employees from claims or damages arising from these activities.



8.2.1 Analysis of end-user needs and selection of products appropriate to meet such needs.

8.2.2 Physical installation of the products including mounting receivers, actuating and indicating devices, testing transmitters, running connections between different elements, and locating and hooking up controllers and input/output equipment.

8.2.3 Physical installation of products other than the products such as detection devices controlled by system products and computers and printers.

8.2.4 Training end-user personnel on the programming and operation of the system.

8.2.5 Provide required post-installation support and service to the end-user.

9. **PROPRIETARY RIGHTS.** Dealer acknowledges and agrees that Dealer has no Proprietary Rights in the products or any other materials received from DSI and does not acquire any rights in these Proprietary Rights by virtue of this Agreement except those contractual rights that are expressly granted herein.

10. **CONSEQUENTIAL DAMAGES WAIVER.** DSI WILL NOT BE LIABLE FOR ANY LOSS OF USE, INTERRUPTION OF BUSINESS, OR INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OF ANY KIND (INCLUDING LOSS OF PROFITS) REGARDLESS OF THE FORM OF ACTION WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, EVEN IF RADIONICS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

11. **DEALER INDEPENDENCE.** It is expressly agreed and understood that Dealer is an independent contractor and is not to represent itself as agent or employee of DSI. All costs, charges and expenses incurred by Dealer in connection with sales or sales promotion, e.g. advertising, publicity, traveling expenses, postal fees, salaries, sales commissions and expenses of representatives and employees, will be fully at the cost and expense of Dealer. Dealer will indemnify and hold DSI harmless for claims made by any agents, representatives, salesmen or employees of Dealer for salaries, commissions or reimbursement of expenses in connection with the promotion and sales of the products.

12. **TERMINATION**

12.1 Causes for Termination. This Agreement will terminate:

A) as provided in section 2, upon ninety (90) days' written notice from either party prior to the end of the term or any extension of the term;

B) upon thirty (30) days' written notice by DSI if:

- (i) a receiver is appointed for Dealer or its property,
- (ii) Dealer becomes insolvent or unable to pay its debts as they mature in the ordinary course of business or makes an assignment for the benefit of its creditor,
- (iii) any voluntary proceedings are commenced by or for Dealer under any bankruptcy, insolvency, debtor's relief statute or similar law,
- (iv) any proceedings are commenced against Dealer under any bankruptcy, insolvency, debtor's relief statute or similar law and such proceeding shall not be vacated or set aside within three (3) days of commencement thereof,
- (v) Dealer is liquidated or dissolved; or



C) on the thirtieth (30) day after either party gives the other notice of a material breach by the other of any other term or condition of this Agreement or of any agreement between DSI and Dealer relating to the products unless the breach is cured before that day.

12.2 Effect of Termination. After termination:

A) Dealer may continue to market the products in its possession for which it has paid in its customary manner in the ordinary course of business; and

B) Payment obligations arising prior to termination will remain in force.

12.3 Liabilities and Other Remedies. Neither party will be liable for damages of any kind as a result of exercising its right to terminate this Agreement according to its terms, and termination will not affect any other right or remedy of either party.

13. **GENERAL PROVISIONS.** The provisions of the Standard Terms and Conditions will govern this Agreement with regard to assignment, choice of law and forum, amendment and other general provisions.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed by their respective officers, duly authorized, on the day and year first above written.

Account # _____

DETECTION SYSTEMS, INC.

By: _____
Authorized Dealer signature

By: _____
Authorized DSI signature

Please type or print name

Please type or print name

Title: _____

Title: _____

Date: _____

Date: _____

Attachments: Security Escort Product Line