



i3 International Dealer Agreement

Last Revised: 150527

THIS AGREEMENT is entered into as of the _____ day of _____, 20____ between **i3 International Inc.**, located at Unit 16, 780 Birchmount Road, Scarborough, Ontario M1K 5H4 Canada (hereinafter called "i3" or the "Corporation") and _____ located at

Address: _____ City/Town: _____

State/Province: _____ ZIP/Postal Code: _____ hereinafter called the "Dealer".

IN CONSIDERATION of the covenants and agreements herein contained, the parties agree as follows:

- 1. Term:** – The term hereof shall commence as of the date written above and shall continue until the day before the one-year anniversary date of this Agreement, subject to a termination by either party pursuant to the provisions herein. Unless either party provides notice of terminating, amending or renewing the terms of this Agreement, this Agreement will automatically renew.
- 2. Status of Dealer:** – The Dealer is independent of i3 and nothing herein is intended to nor shall create a partnership, joint venture, franchise or agency relationship between i3 and the Dealer or an employment relationship between i3 and the Dealer or its employees or agents. The Dealer shall have no authority to assume or create any obligation whatsoever, expressed or implied, in the name of i3, nor to bind i3 in any manner whatsoever, nor to enter into any contract of sale or employment or to endorse any check on behalf of i3, nor to make any allowance or adjustment to i3's accounts for the return of i3's products ("Products"), except in each case pursuant to i3's written authorization or as expressly authorized pursuant to this Agreement.
- 3. Payment & Expenses:** – i3 is providing the Dealer with a set of favorable prices which are subject to change the at i3's sole discretion. The Dealer understands that price changes are normal due to a variety of factors including but not limited to inflation, exchange rate fluctuation, and general market conditions.

The parties acknowledge that the operation of the Dealer's business, whether related hereto or otherwise, is subject to the sole control and management of the Dealer. The Dealer agrees that has been and shall continue to be responsible for all expenses in connection with the Dealer's performance of this Agreement and its activities as dealer for i3, including but not limited to travel, automobile, salaries and supplies, shall be borne by the Dealer, and the Dealer shall be solely responsible for the payment thereof unless a separate agreement is entered into in writing between the parties hereto with respect to any particular expense or expenses.

4. Product Orders: – i3 will sell the Products to the Dealer at the prices established from time to time in i3's published dealer price list applicable to all of i3's dealers in the United States and Canada. i3's policies terms and conditions attached hereto as <http://i3international.com/index.php/company-policies> shall apply to all sales of Products by i3 (such policies terms and conditions as varied from time to time in accordance with the terms of this Agreement being herein called the "Policies Terms and Conditions"). i3 may periodically vary the prices charged by it for the Products, and the policies terms and conditions set forth in the Policies Terms and Conditions from time to time upon prior notice to the Dealer, and any such change shall be effective upon i3's delivery of such notice to the Dealer. Orders received by i3 for the purchase of any of the Products shall not bind i3 unless and until accepted by it. i3 reserves the right to accept or reject in its sole discretion any order for the purchase of any Products.

- 5. Dealer Obligations:** – During the term of this Agreement, the Dealer shall:
- a) take i3's mandatory sales and technical training prior to selling the I3 Digital Video Management System ("DVMS") or any other i3 product or service;
 - b) use its best efforts to advertise and promote i3's Products, and make regular and sufficient contact with the present and future customers of the Dealer in the Territory;
 - c) maintain adequate sales, warehouse and service facilities including protecting from damage or loss and maintaining sufficient stock of all the Products and repair parts to ensure prompt service to customers, and the

- Dealer shall maintain insurance of such Products;
- d) include the I3 DVMS in advertising, promotional, and other marketing events;
 - e) service any of the Products when called upon, whether or not such Products were sold by the Dealer, and provide technical support services to the Dealer's customers;
 - f) provide and maintain signs identifying its place of business as a sales and service outlet for the Products in good condition and in conspicuous and appropriate locations both inside and outside the Dealer's place of business;
 - g) promptly comply with the Policies Terms and Conditions as herein set forth in all dealings with i3, and promptly pay to i3 all proper charges invoiced by i3 including the sale price set by i3 for all Products in effect at the time of shipment;
 - h) partake in i3's annual sales and technical training program for all sales and technical staff working with the DVMS; and
 - i) not misrepresent any information regarding i3 or the Products;

6. i3 Obligations: – During the term of this Agreement, i3 owns the Property and its equipment and shall:

- a) sell to the Dealer the Products upon the terms and conditions herein set forth for resale by the Dealer to end users of the Products;
- b) give to the Dealer such assistance in advertising, instructions in servicing and such aid generally as i3 gives to its other dealers;
- c) provide ongoing technical and sales training; one-day sales and technical/installation training program; annual update and advanced technical training; future certification program for installation and technical troubleshooting;
- d) provide 24-hour technical and sales support including price lists, marketing materials, and shipment tracking system, dealer network listing and contact information, user and technical manuals, and an account management system;
- e) provide 24 hour turnaround time for system replacement subject to availability from i3's suppliers;
- f) support the Dealer with personnel, marketing materials and other support at trade shows, major contract bids, and other events; extent of support will be based on the number of dealers involved in the same event and the marketing strength of the event;
- g) provide free display booth rental (subject to availability) for trade shows, with shipping to be paid by the Dealer; the Dealer shall have access to i3 personnel for trade shows (subject to availability);
- h) provide warranty on the DVMS in accordance with the Policies Terms and Conditions.

7. Software: – The software included in the DVMS purchased by the Dealer is owned exclusively by i3 and protected by Canadian and American copyright laws and international treaty provisions. As a consequence, the Dealer must treat the software like any other copyrighted material. The Dealer may not make the software or copies thereof available in any manner or form or use, copy or transfer the software, in whole or in part, except as expressly provided herein. i3 hereby grants to the Dealer a non-exclusive, non-transferable copyright licence to execute, display and perform the software in the Products, but not otherwise. Such licence shall include the right to reproduce and distribute, internally and externally, to its customers copies of the object code (but not any portion of the source code) of Products including the software to its customers as may be required in the operation and maintenance of the Products but shall not include the right to authorize or sublicense others to do so. The Dealer shall not directly or indirectly make the software available in any manner or form or use, copy or transfer the software in whole or in part, or rent or lease the software to any other party, or alter, merge, modify, adapt, reverse engineer, decompile or disassemble the software, or disclose the software to any other party, in each case except as expressly provided herein.

The Dealer acknowledges and agrees that the software is designed to be used in conjunction with the Products, and the Dealer is solely responsible for ensuring that the Software Licence Agreement included in the Policies Terms and Conditions is accepted by each end user of the Products, for acquiring and maintaining all other required hardware and software, and for obtaining and complying with all other required software licences, and the Dealer shall be fully liable for any claims arising as a result of its failure to comply with the same and/or to obtain or comply with such licence.

8. Discontinuance of Products and New Products: – i3 reserves the right from time to time, in its absolute discretion, without thereby incurring any liability to the Dealer with respect to any purchase order placed by the Dealer, or otherwise, to discontinue or to limit its production of any Products, to terminate or limit deliveries of any Products, the production of which is so discontinued or limited, to alter the design or the construction of any Products, and to add new and additional Products to its lines.

9. Honoring the i3 Warranty: – The Dealer agrees to honor the terms and conditions of i3’s warranty in effect on the date of sale by the Dealer and the terms of which are included in the Policies Terms and Conditions from time to time, on the terms and subject to the conditions set forth in the Policies Terms and Conditions. The Dealer agrees that i3 does not provide any other warranty for the Products or otherwise. The Dealer also agrees that any unauthorized alteration, modification, repair or service work performed by it shall be at its sole cost and expense and hereby indemnifies and saves harmless i3 against any liability it may incur by reason of any extension of its warranty arising out of such unauthorized work or based on any provisions of any contract between the Dealer and any of its customers. The Dealer shall not furnish to any customer or prospective customer any warranty, undertaking or guarantee of any nature whatsoever that might tend to involve the responsibility or liability of i3 except as permitted by this paragraph. In the event that the Dealer does allow or furnish to customers or prospective customers, any other warranty, undertaking or guarantee of any nature whatsoever, which might tend to involve the responsibility or liability of i3, then, in such event, the Dealer agrees to indemnify and save i3 harmless from any claims, demands, damages, costs or losses whatsoever arising out of or in any way connected with such warranty, undertaking or guarantee.

10. i3 Liability after Delivery: – i3’s responsibility for loss or damage to any of the Products ordered by the Dealer shall cease upon delivery of same to a common carrier chosen by i3 in its absolute discretion or upon the Dealer taking possession of the same at i3’s premises or service depot, and any such Products shall then be at the Dealer’s risk. All claims for shortages, damaged or defective Products resulting from shipment which may be the responsibility of i3 shall be made in writing, and substantiated to i3’s reasonable satisfaction, by the Dealer within 15 days after the date of delivery by i3 to a common carrier chosen by i3 in its absolute discretion or the date on which the Dealer takes possession at i3’s premises or service depot, as the case may be. The Dealer agrees that it will not return any Products to i3 without obtaining i3’s consent thereto in writing in accordance with the Policies Terms and Conditions. The Dealer further agrees that it will be responsible for and prepay all transportation charges for items returned to i3 for credit in accordance with the Policies Terms and Conditions.

11. Intellectual Property Rights

- a) **Title.** The Dealer recognizes and agrees that title to all patents, trade-marks, corporate names, business styles, copyright, processes, business methods, know-how, trade secrets, proprietary information, software, hardware, computer programs, code, and all additions, modifications, improvements thereto (the “Intellectual Property”) is owned exclusively by i3, whether registered or not.
- b) **Licence.** Dealer is granted a non-exclusive, non-transferable licence to use the trade- marks and copyrights contained in the sales material provided to it by the Corporation, in addition to the Software licence detailed in Section 8 hereof. Other than these licences, Dealer is granted no title or ownership or other rights, licenses, or interest to, in, or with respect to the Intellectual Property of i3.
- c) **Trademarks.** The Dealer shall describe i3 as the owner or licensee, as appropriate, of all intellectual property rights and proprietary rights pertaining to the Products in all written and oral communications between the Dealer and third parties. The Dealer shall also provide i3 with prompt written notice of and its full cooperation in preventing or responding to any suspected or known violation, infringement or other interference by third parties of i3’s licenses, copyrights, trade-names, trademarks and other intellectual property and proprietary rights pertaining to the Products.

12. Confidentiality/Non-Solicitation

- a) **Confidentiality.** Dealer agrees that all information related to i3 including, but not limited to, the Intellectual Property, information relating to the internal organization of i3, all know-how, drawings, blueprints, manuals, letters, notes, reports, sketches, dealer pricing, sales information, its products or trade secrets, Intellectual Property, customer lists, technical data, files, lists, information pertaining to customers, services, methods, processes, prices, profits, contract terms or operating procedures and data, records, correspondence and other information pertaining to or concerning the business of i3 and its customers, is proprietary and confidential (the

“Confidential Information”). In the event that Dealer learns of or acquires such information during the course of his engagement with i3, Dealer shall use its best efforts and exercise utmost diligence to protect and maintain the confidentiality of the Confidential Information. Dealer shall not, directly or indirectly, use the Confidential Information for its own benefit, or disclose to another any Confidential Information, whether or not acquired, learned, obtained or developed by Dealer alone or in conjunction with others, except as such disclosure or use may be required in connection with the performance of this Agreement or as may be consented to in writing by i3. Such information may not be considered Confidential Information if it is in the public domain (through no wrongful act of Dealer) or to the extent that Dealer is required to disclose such information in accordance with applicable laws, and in that case only once reasonable notice has been provided to i3 that disclosure has been requested.

- b) **Non-Solicitation.** Dealer covenants and agrees that during the period it is providing services to i3 and for a period of twelve months from the date it ceases to provide services, neither it, nor any of its affiliates, will, whether for its own account or for the account of any other person or entity, solicit, divert or take away the accounts or business or attempt to solicit, divert or take away the accounts or business of i3. For the purposes of this Agreement, the term or phrase “accounts or business of i3” shall mean any entity or person, known to Dealer, for whom i3 has provided services during the period Dealer is providing services to i3, as well, as any person or entity to whom i3 has submitted a proposal for services during the period it is providing services to i3.
- c) **Survival.** The provisions of this section 6 shall survive any termination or expiration of this Agreement.

13. Termination: – This Agreement may be terminated as follows:

- a) **Immediate Termination.** Notwithstanding anything contained herein, i3 may immediately terminate the Agreement in its sole discretion in the event Dealer breaches the terms hereof. Dealer shall be deemed to have breached this Agreement in the event: (i) Dealer fails to perform its duties pursuant to this Agreement; (ii) Dealer engages in any illegal, fraudulent or criminal act or an act of dishonesty or any act which is materially detrimental to i3’s interests; (iii) Dealer breaches the covenants of the Confidentiality/Non-Solicitation section; or if (iv) Dealer breaches any other agreement between Dealer and i3. Dealer agrees that on any termination of this Agreement, i3 shall not be liable to Dealer for any termination compensation, damages or indemnity whatsoever sustained or arising out of, or alleged to have arisen out of, such termination
- b) **Either Party.** Either i3 or Dealer may terminate the Agreement upon thirty (30) days written notice to the other, with or without cause.
- c) **Return of Information.** In the event of termination of this Agreement for any reason, the Dealer shall forthwith:
 - i) re-convey and release to i3 all rights and privileges granted by this Agreement, all of which shall cease and terminate as of the date of termination of this Agreement;
 - ii) return to i3 all i3’s property and equipment, including all advertising, information or technical material given to the Dealer by i3;
 - iii) immediately cease direct or indirect use of i3’s trade names, trademarks or any other intellectual property, and thereafter refrain from holding itself out as an authorized distributor and/or sales and service outlet of the Products;
 - iv) if requested by i3, sell to i3 at the original net price paid by the Dealer plus actual freight charges for delivery to i3, all Products sold by i3 to the Dealer and on hand or in possession or control of the Dealer at the time of termination of this Agreement and deliver same to i3 forthwith upon request, provided however, that i3 may reject any of the Products so delivered which are not in first class condition; and
 - v) immediately pay when due all amounts owing by it to i3.

All provisions of this Agreement relating confidentiality, ownership of Intellectual Property, indemnification and limitations of liability shall survive termination of this Agreement.

14. Indemnification.

- a) **General.** Dealer shall, at its sole expense, defend i3 against any third party claim, demand or suit (“Claim”) alleging the following, and shall indemnify and hold i3 harmless from and against any and all data breaches whether intentional or unintentional, damages, fines, penalties, costs, liabilities, expenses and/or fees (including reasonable fees and expenses of counsel) actually incurred by, or awarded or assessed against, Corporation in association with the Claim related to the following:



- i) **Breach.** Breach by Dealer of this Agreement;
 - ii) **Negligence.** That Dealer, its employees or authorized subcontractors, was negligent or committed an intentional wrongful act that caused injury to a person or damage to property; and/or
 - iii) **Compliance.** That Dealer, its employees, subcontractors, agents, or representatives failed to comply with any applicable federal, provincial, municipal or foreign law, statute, regulation or ordinance.
- b) **Notice.** In order to receive indemnification under this Section, i3 will promptly notify Dealer of the assertion of a Claim; allow Dealer to retain sole and exclusive control over the defense and/or settlement of the Claim; and cooperate with Dealer, at Dealer's expense, in the defense and/or settlement of the Claim.

15. Remedies: – Dealer acknowledges that any breach of this Agreement could cause irreparable damage to i3 and that, in the event of such breach, i3 shall have the right, without being required to post bond or other security, to obtain injunctive relief, including without limitation, specific performance or other equitable relief, to prevent the violation of Dealer's obligations hereunder. It is expressly understood and agreed that nothing herein contained shall be construed as prohibiting i3 from electing to pursue any other remedies available for such breach or threatened breach or for any other default under this Agreement, including without limitation, the recovery of damages. Dealer agrees that any claim relating to service with i3 must be filed no more than six (6) months after the date of the action that is the subject of the claim and waives any statute of limitations to the contrary.

16. Force Majeure: – Neither party shall be liable for delays in the performance of its obligations hereunder due to causes beyond its reasonable control including, but not limited to, fire, flood, explosion, act of God, strike, slowdown, work stoppage, lockout, shortage of labour or material, breakdown in or loss of production from plant or equipment, or the laws, acts, orders or any governmental authority or any other cause, whether similar or dissimilar, beyond the reasonable control of the parties, for a period of three months. Following the aforementioned period of three (3) months either party may treat this Agreement at an end without penalty.

17. Conflict of Interest: – In light of the confidential information that i3 shall provide to the Dealer with respect to i3's business operations and the Products and the potential damage to i3 that could result from the disclosure thereof, the Dealer shall not, without i3's written consent, advertise, market, sell or support any products that compete with the Products (or assist any third party to take such actions whether directly or indirectly).

18. Notice: – Any notices, consents, approvals, statements, authorizations documents or other communications (collectively "notices") required or permitted to be given hereunder shall be in writing, and shall be delivered personally or mailed by registered or certified mail, postage prepaid, to the parties at their respective addresses set forth hereunder, or at any such other address or addresses as may be given by either party to the other in writing from time to time. Such notices, if mailed, shall be deemed to have been given on the second business day (except Saturdays and Sundays) following such mailing, or, if delivered personally, shall be deemed to have been given on the day of delivery, if a business day, or if not a business day, on the business day next following the day of delivery; provided that if such notice shall have been mailed and if regular mail service is interrupted by strike or other irregularity before the deemed receipt of such notice as aforesaid, then such notice shall not be effective unless delivered.

To i3 International Inc.:

780 Birchmount Road, Unit 16
 Scarborough, ON
 M1K 5H4

Attn: Vy Hoang, Executive Sales Vice President
 Tel: (416) 261-2266
 Tel: (866) 840-0004
 Fax: (416) 759-7776

To the Dealer:

 Attn: _____
 Tel: _____
 Fax: _____



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19. Assignment: – The Dealer shall not be entitled to assign, convey, sell, transfer, subject to delegation or otherwise encumber any of its rights, remedies or obligations described in this Agreement without i3’s prior written consent, which may be withheld by i3 in its reasonable discretion. i3 shall be entitled to assign, convey, sell, transfer, subject to delegation or encumber some or all of its rights and remedies described in this Agreement without the consent of the Dealer in any manner.

20. Governing Law: – This Agreement shall be made and construed in accordance with the laws of the Province of Ontario, and the parties hereto hereby attain to the jurisdiction of the Ontario courts.

21. General Provisions: – All financial amounts stated herein are in United States currency unless otherwise expressly designated herein. Time shall be of the essence of this Agreement and of each and every part hereof. The Dealer shall pay i3 a late charge of the lesser of eighteen per cent (18%) per year or the highest rate permitted by law on any obligations that are not paid when due. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine or feminine or neuter as the context or sense of this Agreement or any paragraph or clause herein may require, the same as if such words had been fully and properly written in the appropriate number and gender. References to the Dealer shall be deemed to include a reference to all entities affiliated with or related to the Dealer and the Dealer shall cause such entities to comply with this Agreement. The modification or waiver of any of the terms and conditions set forth in this Agreement must be contained in writing signed by the parties hereto. If any provision of this Agreement violates the law or is unenforceable, the rest of the Agreement shall remain valid. This Agreement represents the complete and integrated understanding between i3 and the Dealer pertaining to subject hereof, and supercedes any prior agreement between the parties hereto. All prior and contemporaneous understandings and agreements, written or oral, express or implied, are of no further force and effect to the extent inconsistent herewith.

22. Successors and Assigns: – This Agreement shall be binding upon and enure to the benefit of i3 and the Dealer and their respective successors, assigns, trustees, and receivers.

IN WITNESS WHEREOF this Agreement has been duly executed by the parties hereto as of the day and year first above written.

i3 International Inc. _____

By: _____

Name (print): _____

Title: _____

Date: _____

(Name of Dealer Company)

By Authorized Signatory: _____

Name (print): _____

Title: _____

Date: _____