1. SERVICES.

1.1 Harman shall provide to Dealer, and Dealer shall purchase from Harman, the Services. Parties acknowledge that most of the Services will be performed primarily in Texas of the United States of America.

“Service Description” shall mean all of the following:

a) Scope of Work (or “SOW”) agreed upon by the Dealer.

b) Any project proposal submitted by Harman (the “Proposal”).

c) A Button-by-Button (BxB) description. A BxB can be a spreadsheet or snapshots of TP pages, with either or all of the following:

1) A brief description on how that page is achieved (i.e., shown when the VTC button is pressed on the Main page)

2) Any additional functionality needed when that page is achieved (i.e., power on displays, selecting HDMI input, route input 2 to outputs 3 and 4, etc.)

3) The functionality of buttons on that page (i.e., Keypad numbers: build phone number to dial out; Dial button: direct the codec to dial the new number; Hang up button: end current call, etc.)

d) A description of work to be performed or services to be provided by Harman entitled “Statement of Work.”

1.2 Either party may request in writing that Harman makes changes to the Services (“Service Change”). The party requesting a Service Change will deliver a proposed change order to the other party specifying the proposed Service Change (“Change Order”). The parties must mutually agree upon and execute Change Orders to authorize the making of Service Changes. Change Orders executed by both Harman and Dealer are deemed to be incorporated into this Agreement.

1.3 The parties acknowledge that the Services, schedules, fees and related items in this Agreement depend upon the accuracy of information and resources provided by Dealer to Harman. Dealer will: (i) provide Harman, in a timely fashion, with all information reasonably required by Harman; (ii) provide Harman with all cooperation reasonably requested to facilitate Harman’ delivery of the Services; and (iii) provide Harman, at no charge, with the equipment, resources, consents, licenses, sublicenses, rights to all hardware, software and related equipment (whether or not owned by Dealer) that are reasonably necessary to permit Harman to provide the Services as contemplated herein and are not otherwise identified in applicable Service Descriptions as the responsibility of Harman. In the event Dealer fails to comply with the foregoing or Harman determines that Dealer has supplied inaccurate information to Harman, Harman may, at its sole discretion:

a) increase the quoted price and/or estimate project duration;

b) require Dealer to pay for additional services required on a Time & Material basis at standard rates;

c) reschedule the performance of the Services at a mutually convenient time; or
d) discontinue the Services with no further liability to any party, including Dealer, its customers or any end user.

1.4 In consideration for the payment of Fees, as specified in Section 2 below, Harman will deliver materials, work product or technology specified to be delivered to Dealer in connection with the Services (each, a “Deliverable”), Dealer shall review and evaluate such Deliverables to determine if it complies in all material respects with the criteria set forth in this Agreement. If Dealer reasonably determines that any of the Deliverables fail to conform with such criteria, Dealer shall notify Harman of the alleged failure and provide a detailed description thereof. Harman will, if necessary, prepare the modifications to cause the Deliverables to so conform. Support modules downloaded from Harman.com, AMX.com, BSSaudio.com, or other Harman website shall not be considered Deliverables. Subject to Dealer’s warranty rights under Section 4, each Deliverable shall automatically be deemed accepted unless rejected in writing as specified herein within 14 days of receipt by or provision of access to Dealer.

1.5 Services designated as Design Services by Harman are intended to illustrate design intent and general signal flow. Not every component required for a complete AV system will be represented in the delivered drawings. Harman will only revise or edit unaltered drawings originally created by Harman. Dealer is solely responsible for reviewing all designs and drawings to verify suitability for their intended use. In the event of a conflict between drawings, EQ lists and system descriptions, the section with the greater quantity or quality shall be provided and installed. Dealer and its agents and end customers are responsible to provide and install patch cables, connectors, hardware, converters, power supplies, labels, terminals, mounting accessories, etc. necessary for complete and working system meeting design intent of specifications. The Dealer and its agents and end customers are responsible for interfacing the systems with each required sub-system and Harman recommends continually employing interfacing methods approved by the original equipment manufacturer and industry best practices.

2. FEES.

2.1 Dealer shall pay Harman the fees and expenses set forth in the Service Description applicable to the Services performed (“Fees”). Harman shall deliver invoices to Dealer at the address set forth in the Order Form. Dealer shall pay Harman all Fees for Services within 30 days after the date of the invoice. After 30 days, all Fees shall accrue interest at a rate of 1.5% per month or (if lower) the maximum rate permitted by law from the date due until paid. Dealer will be responsible for sales, use, excise, value added, services, consumption, VAT, import/export, duties, tariffs, and similar assessments, taxes, fees and charges that are assessed on the Services, any Deliverables provided with the Services or the Fees.

2.2 If Service fees are specifically stated by Harman as Time and Materials (“T&M”), then the Dealer will be billed by Harman for the actual hours worked, which may be greater or less than the hours estimated by Harman. If the Service fees are not designated as T&M, the Service fees will be considered fixed. All Services, whether T&M or fixed, will be billed at Harman’s standard rate(s), exclusive of any project travel and living expenses associated with Services as quoted - which will be billed separately by Harman as incurred.

2.3 On-site commissioning service rates are based on standard Harman eight hour workdays, which are Monday through Friday, 8:00 am-5:00 pm or as otherwise permitted under applicable
laws. Service rates and totals will be billed at applicable rates as scheduled by the Dealer. Project schedules that require delivery of on-site Services outside of this standard work week will be assessed the following additional charges for a defined eight-hour work schedule:
(a) Monday through Friday 5:00 pm to 8:00 am, 1.5x the quoted rate;
(b) Saturday and/or Sunday, 2x the quoted rate; and
(c) Holiday, 3x the quoted rate.
For Dealers outside of the United States: Additional charges may apply for on-site services outside regular working hours and Harman reserves the right to apply surcharges for business-to-business transactions in EMEA.

3. LICENSE.

3.1 Harman grants to Dealer’s end customers only who are specifically identified by name in a PO submitted by Dealer to Harman a revocable-at-will, non-exclusive, non-assignable, non-sublicensable, non-transferrable, royalty-free, limited license to use such Deliverables solely in conjunction with the operation of the products which are the subject of the Deliverables, during the period in which such end customer owns such products and in the territory where such products are operated. The license rights granted under this Agreement are provided to Dealer’s end customers only as provided in this Section 3.1 and not to the Dealer. Dealer acknowledges and agrees Dealer shall not acquire any license rights of any kind under this Agreement. All other rights not granted in this Agreement are reserved by Harman.

3.2 The right of Dealer’s end customers to use the Deliverables as stated in this Agreement is contingent upon Dealer paying the applicable Fees. Except as set forth herein, Harman retains all rights, title, and interest in and to the software, data, documentation and other Deliverables provided under this Agreement. Nothing in this Agreement will preclude Harman from marketing, developing or using for itself or others, services or products that are the same as or similar to those provided to Dealer by Harman pursuant to this Agreement, or using the knowledge and expertise gained by performing the Services hereunder.

4. WARRANTIES.

4.1 Harman warrants that (i) it will perform all the Services in a professional and workmanlike manner, (ii) the personnel assigned by Harman will possess the skill and experience necessary to perform the Services, and (iii) the Deliverables (excluding any third party components of the Deliverables) shall conform in all material respects to the applicable Service Description for 30 days after delivery. Each party represents and warrants that it has the right to execute and perform its obligations under this Agreement.

4.2 As Dealer’s sole and exclusive remedy, and Harman’s entire liability, therefore, Harman shall promptly re-perform any Services and correct any Deliverables that do not comply with these warranties. Dealer hereby waives any and all other rights and remedies Dealer may have at law or in equity. If Harman is unable to re-perform such Services, Dealer shall be entitled to recover the Fees paid for the Services not conforming to such terms as its sole and exclusive remedy. Following the warranty period set forth in Section 4.1, Dealer may purchase off-site support through the Harman support call center.

4.3 EXCEPT AS OTHERWISE SET FORTH IN THIS AGREEMENT, NEITHER PARTY GIVES ANY WARRANTY WITH RESPECT TO THE SERVICES OR DELIVERABLES AND BOTH PARTIES EXPRESSLY
DISCLAIM AND EXCLUDE ALL WARRANTIES, TERMS AND CONDITIONS NOT EXPRESSLY SET OUT IN THIS AGREEMENT WHETHER IMPLIED BY OPERATION OF LAW, BY CUSTOM, STATUTE OR OTHERWISE (INCLUDING WITHOUT LIMITATION ANY WARRANTY, TERM OR CONDITION OF NON-INFRINGEMENT, MERCHANTABILITY, SATISFACTORY QUALITY OR FITNESS FOR PARTICULAR PURPOSE) IN EACH CASE TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW.

5. TERM AND TERMINATION.

5.1 The term of this Agreement shall begin as of the Effective Date set forth in the original Distribution or Dealer Agreement executed between the Parties and shall continue so long as such agreement remains in full force and effect or unless otherwise terminated under this Section 5 ("Term"). Either party may terminate this Agreement for the breach by the other party of a material term of this Agreement (including a breach of the payment obligations under this Agreement) unless the breaching party has, within 30 days after notice, either: (a) cured such breach, or (b) made substantial progress to cure such breach (if such breach is curable) and implemented a plan that results in a cure of the breach within 60 days.

5.2 If either party becomes insolvent, fails to pay, or admits in writing its inability to pay debts as they become due; or if either party applies for, consents to, or acquiesces in the appointment of a trustee, receiver or other custodian for such party or for a substantial part of such party or makes a general assignment for the benefit of creditors; or, if a trustee, receiver or other custodian is appointed for such party or for a substantial part of such party's property and is not discharged within sixty (60) days; or if any bankruptcy, reorganization, debt arrangement or other proceeding under any bankruptcy law, or any dissolution or liquidation proceeding is commenced by, consented to, or acquiesced in by such party and has not been dismissed within sixty (60) days; or, if either party ceases to conduct its business in the normal course, this Agreement may be terminated by the other party immediately upon delivery of written notice to the affected party.

5.3 Upon request and upon the termination of this Agreement, the parties shall return any and all Confidential Information of the other party.

6. INDEMNIFICATION.

Dealer will indemnify, defend and hold harmless Harman and its equity holders, parents, affiliates and subsidiaries and all of their respective directors, officers, employees, agents, successors and assigns (the "Harman Parties") from and against all claims, damages, losses and expenses, injuries, costs, penalties, actions, judgments and investigations (including reasonable attorneys’ fees and fees for expert witnesses) arising out of, resulting from or relating to any claim asserted by any third party or end-user or Dealer’s customers, end customers, personnel, representatives or agents, including but not limited to a proceeding that is based upon:

(a) Any actions, omissions, errors, negligence or misconduct by Dealer, its agents, representatives, customers or end customers that cause harm to Harman or cause Harman to be subject to a claim by a third party or end-user;
(b) Alleged or actual infringement or misappropriation of any patent, copyright, trade secret, trademark, or other right or interest of any third party, including allegations or claims that any
technology, products, components, designs, content and/or material provided or supplied to Harman by Dealer, its agents, representatives or customers infringes the rights of any third party;
(c) Any product liability claims asserted against Harman by any of Dealer’s customers, end customers, any end-users or third parties arising out of breach of the Dealer’s warranties, representations, covenants or obligations under this Agreement or otherwise attributable to Dealer’s acts, errors, omissions, negligence or misconduct.
(d) Any injury to or death of any person, or any damage to property, caused by defects in the manufacture of products sold by Dealer’s customers;
(e) Any breach or inaccuracy of any of the Dealer’s representations and warranties under this Agreement;
Harman agrees to promptly notify Dealer of any claim by any third party for which Harman may be entitled to indemnification and Dealer will defend the Harman Parties, and each of them, against these claims, through attorneys of Harman’s choosing, at no cost or expense to any of the Harman Parties. Harman will reasonably cooperate with Dealer in the defense of such action, provided that Dealer will reimburse all cooperating Harman Parties for their reasonable out-of-pocket costs incurred in connection with such cooperation.
7. CONFIDENTIAL INFORMATION.

7.1 It is expected that the parties will disclose to each other certain confidential information (“Confidential Information”) which may or may not be marked “confidential” or “proprietary.” All Confidential Information of one party (“Disclosing Party”) that is disclosed to the other party (“Recipient”) shall remain the sole property of the Disclosing Party, which shall own all rights, title, interest and intellectual property rights therein.
7.2 Except as expressly allowed in this Agreement, both parties agree not to duplicate in any manner the other’s Confidential Information or to disclose it to any third party or to any of their employees not having a need to know same to implement this Agreement. The Recipient shall ensure that any such third party or employee is bound by written confidentiality provisions at least as restrictive as those contained in this Agreement. Each Recipient agrees to keep the Disclosing Party’s Confidential Information in a safe and secure place and protect it from unauthorized use or disclosure. Recipient shall use the Disclosing Party’s Confidential Information solely for the implementation of this Agreement and for no other purpose, whether for Recipient’s own benefit or the benefit of any third party. For clarification purposes, Harman shall be allowed to disclose the Confidential Information of Dealer and/or Dealer’s end customers to Harman’s affiliates, attorneys, accountants, auditors, contractors, subcontractors, agents and representatives to fulfill Harman’s purpose and obligations under this Agreement.
7.3 Confidential Information shall not include, and the foregoing restrictions shall not apply to, information which Recipient can prove: (i) is or becomes a part of the public domain; (ii) was in Recipient’s lawful possession prior to the disclosure and had not been subject to limitations on disclosure or use; (iii) is entirely and independently developed by Recipient without any knowledge or reference to the Confidential Information; (iv) is lawfully disclosed hereafter to Recipient, without restriction, by a third party who did not acquire the information from the Disclosing Party; or (v) is disclosed to the minimum required by a court of competent jurisdiction after Recipient has obtained a protective order.
8. LIMITATION OF LIABILITY.

8.1 IN NO EVENT SHALL EITHER PARTY OR THEIR RESPECTIVE AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, SUCCESSORS OR ASSIGNS BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES FOR ANY CLAIM ARISING UNDER THIS AGREEMENT, REGARDLESS OF THE CAUSE OF ACTION AND EVEN IF SUCH PARTIES HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

8.2 EACH OF THE PARTIES SHALL BE LIABLE TO THE OTHER FOR ANY DIRECT DAMAGES ARISING OUT OF OR RELATING TO ITS PERFORMANCE OR FAILURE TO PERFORM UNDER THIS AGREEMENT; PROVIDED, HOWEVER, THAT THE LIABILITY OF EACH PARTY AND ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, DEALERS, REPRESENTATIVES, AGENTS, SUCCESSORS AND ASSIGNS TO THE OTHER PARTY, WHETHER BASED ON AN ACTION OR CLAIM IN CONTRACT, EQUITY, NEGLIGENCE, TORT OR OTHERWISE, FOR ANY EVENT, ACT OR OMISSION SHALL NOT EXCEED AN AMOUNT EQUAL TO THE FEES FOR SERVICES PAID TO HARMAN UNDER THIS AGREEMENT DURING THE SIX-MONTH PERIOD IMMEDIATELY PRECEDING THE MOST RECENT EVENT GIVING RISE TO THE LIABILITY (OR IF SUCH EVENT OCCURS IN THE FIRST SIX MONTHS OF THE AGREEMENT TERM, THE AMOUNT ESTIMATED TO BE PAID IN THE FIRST SIX MONTHS OF THE TERM).

8.3 THESE LIMITATIONS OF LIABILITY SET FORTH IN THIS SECTION 8 SHALL NOT APPLY TO: (A) THIRD PARTY CLAIMS; (B) CLAIMS BY DEALER’S CUSTOMERS, END CUSTOMERS, PERSONNEL, AGENTS, REPRESENTATIVES OR ANY END USER; (C) DEALER’S INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT; (C) DEALER’S BREACH OF ITS PAYMENT OBLIGATIONS; OR (D) DEALER’S CONFIDENTIALITY OBLIGATIONS.

9. GENERAL.

9.1 Dealer shall not assign this Agreement or any part of it without the prior written consent of Harman.

9.2 Harman may subcontract portions of the Services but will remain responsible for all obligations under this Agreement performed by Harman’s subcontractors to the same extent as if such obligations were performed by Harman’s employees.

9.3 Though Dealer will resell the Services to its end customers, Harman remains responsible solely and exclusively to Dealer for all the Services hereunder.

9.4 Each party will be excused from performance under this Agreement (other than obligations to make payments) for any period and to the extent that it is prevented from performing any obligations pursuant to this Agreement, in whole or in part, as a result of an event or circumstance beyond the reasonable control of such party.

9.5 This Agreement, including all Service Descriptions, contains the entire agreement of the parties regarding the subject matter.

9.6 The provisions of this Agreement may not be amended, except by an agreement in writing signed by authorized representatives of both parties.

9.7 The waiver of any breach of any provision of this Agreement or any Service Description shall only be effective if in writing.

9.8 The parties hereto agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the interpretation of this Agreement.
9.9 The formation, existence, construction, performance, validity and all aspects of this Agreement will be governed by the laws of The State of New York of The United States of America without regard to its conflicts of laws principles. Any action to resolve any dispute that has not been resolved by good faith negotiations must be commenced in the state or federal courts sitting in the Borough of Manhattan of the City of New York. The parties submit to the personal jurisdiction of those courts and waive any defense that jurisdiction or venue in those courts is inappropriate or inconvenient. Notwithstanding the provisions of this Section, either party may seek from any court of competent jurisdiction any interim or provisional relief before, during, or after any arbitration.

9.10 If Dealer is resided in the People’s Republic of China (the “PRC”) or resells the Services to its end customers in the PRC, Dealer shall comply with all relevant approval, registration, or other requirements applicable under relevant laws and regulations of the PRC to the conclusion and performance of this Agreement. Dealer will indemnify, defend, and hold Harman harmless from and against all losses, damages, claims, expenses, or liabilities arising from Dealer’s breach of this undertaking.

9.11 All notices under this Agreement must be in writing and shall be deemed given if personally delivered, sent by certified or overnight mail service to the address on the Order Form.

9.12 All provisions which by their nature or their terms contemplate continuing effectiveness shall survive any termination or expiration of this Agreement including, but not limited to, Section 4 (WARRANTIES), Section 6 (INDEMNIFICATION), Section 7 (CONFIDENTIAL INFORMATION), Section 8 (LIMITATION OF LIABILITY), and Section 9 (GENERAL).

9.13 If any provision of this Agreement is invalid or unenforceable, the other provisions shall remain in full force and effect and shall be construed in order to effectuate the purposes and intent of this Agreement.

9.14 No person or entity shall be deemed a third-party beneficiary under or by reason of this Agreement.

9.15 In providing Services to Dealer, Harman is acting only as an independent contractor. The activities under this Agreement shall not create the relationship of employer and employee, a partnership, joint venture, agency or any other type of joint relationship between Harman and Dealer.

9.16 Harman has entered this Agreement for the benefit of its affiliates. Therefore, Harman’s affiliates may perform certain obligations under this Agreement, such as but not limited to the subsequent processing of orders for Harman products, the Deliverables, delivery thereof, and/or performance of certain services. Such Harman Affiliate shall be stated on the order confirmation or the corresponding invoice, and shall have the right to enforce any contractual term, such as but not limited to obtaining damages, an injunction or specific performance as if it had been a party to this Agreement.

9.17 This Agreement has been drafted and executed in the English language by the express will of both parties. To the fullest extent permitted by law, the parties waive any requirement of law that would otherwise require this Agreement to be drafted or executed in any other language.

9.18 This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one single agreement between the Parties. The signature, digital or otherwise, of either Party transmitted by facsimile, by scanned images (such as but not limited to .pdf or .tiff file formats) attached to electronic mail, through any third party electronic execution service
provider, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by a combination of such means, shall constitute a valid and binding signature.