

**MICROTHERMO PRODUCTS AND SERVICES  
FULL PROGRAM  
DISTRIBUTION AGREEMENT**

THIS AGREEMENT is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between Parker-Hannifin Corporation, an Ohio corporation, 6035 Parkland Blvd., Cleveland, Ohio 44124 (herein called "Parker") and \_\_\_\_\_, a \_\_\_\_\_ corporation, (address) (herein called "Distributor").

WHEREAS, Parker and the Distributor desire to establish a relationship in which Parker will sell and Distributor will purchase and resell the Parker MicroThermo products specified herein (the "Products") as well as provide maintenance, repair and overhaul services (the "Services") to customers of such products, and

WHEREAS, Parker and Distributor seek to assure a thorough understanding of the obligations assumed by each;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, the parties agree as follows:

1. Appointment. Subject to the provisions of this Agreement, Parker hereby appoints Distributor to purchase, resell and service the Products specified in paragraph 2 hereof, as well as provide the Services to customers of these and competing products.

2. Products. The products covered by this Agreement are the Parker Sporlan Division, MicroThermo Business Unit products listed in the attached Schedule A, as amended from time to time (herein called the "Products").

3. Area. The term "Area" as used herein refers to the product markets and geographic territory specified in the attached Schedule B. Distributor is not permitted to sell the Products outside the Area except as set forth in Schedule B.

4. A. Full Program. Distributor Program Requirements and Benefits are set forth in the attached Schedule C.

B. Sales Responsibility. Distributor agrees to use its best efforts to promote and sell the Products in the Area including actively calling on actual and potential customers and users. Distributor shall always promote, offer and sell Products whenever they can reasonably satisfy a customer's technical requirements without regard to price. Distributor is expected to achieve the maximum possible market penetration for the Products in the Area. Parker will establish annual or other periodic quotas for sales of the Products, customer services and revenue in the Area. Distributor agrees to use its best efforts to achieve such quotas. The initial quotas are set forth in the attached Schedule D. In those cases where a customer's buying, engineering or other authority or place of use is located in more than one territory, Distributor may be required to actively assist in the promotion of sales of Products to such customer in the Area even though Distributor may not itself make the sale.

C. Agency Sales. Upon request from Parker, Distributor will act as an agent soliciting orders for any or all of the Products from customers for forwarding to Parker, rather than as a distributor purchasing for resale. Where Distributor so acts as an agent procuring orders, Parker shall ship Products directly to the customer, shall bill the customer and bear the credit responsibility, and shall pay Distributor a reasonable commission on such sale as determined by Parker.

5. Direct Sales. Parker reserves the right to sell directly in the Area the Products listed on Schedule A without obligation to pay a commission to the Distributor.

6. Entire Agreement. This Agreement, including the accompanying Schedule A, Schedule B, Schedule C and other schedules, quotas and guidelines referred to herein, and any amendments to such schedules, quotas and guidelines, constitutes the entire agreement between the parties, superseding all previous agreements relating to any subject covered by this Agreement, whether oral or written.

7. Prices; Credit Terms. Each of Distributor's orders will be billed at Parker's prices in effect at the time the order is accepted and at Parker's applicable distributor discount schedule or current distributor net price schedule. Distributor's orders will be entitled to the then current cash terms. Interest shall be due and payable to Parker on all amounts past due and at interest rates as Parker shall determine. If no such determination of rates is made, all amounts past due shall bear interest at the rate of fifteen percent (15%) per annum. Sales by Parker to Distributor shall be made in accordance with the then prevailing terms and conditions of Parker's Sporlan Division, MicroThermo Business Unit rendering the invoice to Distributor, to the extent that such terms and conditions are not in conflict with the provisions of this Agreement, which shall govern in the event of conflict. Any amounts paid by Distributor to Parker for Products shall be computed and billed in accordance with this paragraph 7, and shall be deemed to be paid solely for such Products.

8. Shipments. All shipments to Distributor or a customer of the Distributor will be F.C.A. Parker's plant. Shipments to locations outside the Area will not be made without Parker's consent.

9. Relationship with Customers. Parker reserves the right to communicate directly with any actual or potential customer for the Products, including customers who have purchased or been offered Products by Distributor, regarding any matter relating directly or indirectly to the sale of Products to the customer, including, without limitation, the quality, application and operation of Products, special Product needs, pricing of Products, and the adequacy of Distributor's service to the customer.

10. Distributor's Stock; Service; Consideration. Distributor will at all times maintain an adequate stock in order to furnish prompt, efficient and willing service to purchasers of the Products and Services in the Area. It is expected that Distributor shall at all times maintain at least \$10,000 of inventory of the Products. Any amounts paid by Distributor to Parker for Products shall be computed and billed in accordance with paragraph 7 hereof, and shall be deemed to be paid solely for such Products.

11. Personnel. Distributor will employ sufficient sales, systems engineering and other personnel to promote and sell the Products in a manner that will assure maximum possible market penetration in the Area. Distributor's sales personnel are expected to have and to maintain an adequate level of product and application knowledge in order to effectively promote properly apply and sell the Products. If such personnel do not, in the opinion of Parker, have sufficient product knowledge, Distributor will arrange for the attendance of such personnel at product training sessions at a facility designated by Parker within three months from the date of entering this Agreement or the commencement of employment of such personnel by the Distributor. Parker shall not charge Distributor for such product training, but Distributor shall be responsible for all expenses, including transportation, lodging and meals. Neither Parker nor any affiliate of Parker shall receive any payment relating to such expenses.

12. Private Label Sales. Parker reserves the right to make sales in the area and elsewhere of any one or more of its Products without affixing or attaching the Parker trademark or name to such Products, and Parker shall not be obligated to pay a commission or any other compensation to Distributor on such sales.

13. Financial Information. The Distributor will maintain adequate financial records in accordance with guidelines provided by Parker. Distributor will provide periodic reports of financial information, operating data and credit data as specified by Parker, and will permit Parker's officials or agents to examine the Distributor's financial records upon reasonable notice.

14. Refusal of Orders. Parker reserves the right, at its discretion, to refuse shipment of any order(s) to the Distributor or the Distributor's customer if the Distributor's credit standing is then unsatisfactory to Parker. Any acceptance of an order, or shipment of a different order or part of an order, does not waive Parker's right to refuse to complete shipment or to refuse to ship or accept another order.

15. Excusable Delays. Parker shall not be liable for its or another's failure to deliver in compliance with a previously accepted order of the Distributor if the failure is due to floods, fires, accidents, acts of God, labor difficulties, litigation, rulings or regulations of any government or public authority, inability to obtain sufficient quantities of necessary materials or components at prices acceptable to Parker, unavailable transportation or other causes beyond the control of Parker.

16. Promotional Materials. Parker will make available to Distributor a supply of catalogs, service bulletins, technical data and other advertising and promotional materials, some free and some at a price established by Parker. As described in paragraph 19 hereof, Distributor shall not be required to purchase any such materials from Parker.

17. Warranty and Terms of Sale. Except as otherwise indicated herein, the Standard Terms of Sale (which include product warranty) for the Parker Divisions supplying Products to Distributor shall be applicable to all Distributor orders placed with Parker and to Products furnished under such orders. No other terms, including warranties, shall apply except as may be agreed by Parker in writing for a particular order.

18. Trademarks; Trade Names. Distributor shall not use, directly or indirectly, any trademark or trade name which is now or may hereafter be owned by Parker, as part of Distributor's corporate or business name, or in any way in connection with Distributor's business, except in the manner or to the extent that Parker specifically consents to such use in writing.

19. Relationship of Parker and Distributor. Except as explicitly provided in paragraph 4.C of this Agreement, Distributor is not and shall not be the agent, employee, partner of, or joint venturer with, Parker. In no event shall Parker be responsible for any obligation or liability of Distributor, whether or not the obligation or liability shall have been incurred in connection with the Distributor's performance under this Agreement. Parker and Distributor further agree that their relationship does not constitute a franchise under federal or state laws or rules. Distributor acknowledges that it made no payments nor obligated itself to make any payments to Parker, directly or indirectly, for the right to become a distributor of Products and Services pursuant to this Agreement other than the obligation to purchase reasonable amounts of Products from Parker at Parker's then current prices in accordance with paragraphs 7 and 10 hereof. From time to time, Parker may make available to Distributor, for a price, marketing materials, training programs, equipment or other materials or services to assist the operation of Distributor's business. Distributor shall not be obligated to purchase any such materials or services from Parker, and if Distributor chooses to make any such purchases, it shall be at Distributor's sole discretion.

20. Non-competition Pledge. During the term of this Agreement, and any extension or renewal thereof, Distributor will not at any time, either directly or indirectly, either in original equipment sales or in maintenance, repair or overhaul services, do the following: Promote, offer, sell, distribute or otherwise represent any products or services that compete with the Products or Services. This prohibition shall not preclude distributor from providing customers with maintenance, repair or overhaul services on already in-place competitive products.

21. Term of Agreement, Renewal and Termination. Unless earlier terminated by either party in accordance with the termination provisions described below, this Agreement shall remain in effect

for one year from the date first written above, and will automatically renew for additional one year terms unless, at least thirty (30) days prior to the end of any such one year term, either party gives the other written notice of its intent not to renew the Agreement (hereinafter referred to as a "cancellation" of the Agreement), or Parker presents Distributor with a new distribution agreement. In the event that Distributor is presented with a new distribution agreement, this Agreement will be canceled after the then current one year term concludes, and Distributor can only continue thereafter as a distributor of the Products by signing the new distribution agreement.

Notwithstanding the preceding paragraph, either party to this Agreement may terminate this Agreement, with or without cause, at any time, by the giving of at least thirty (30) days advance written notice. In addition, either party may terminate this Agreement immediately upon written notice upon cessation of the other party's business as a going concern, the insolvency of, appointment of a receiver for, or filing of a petition in bankruptcy by or against, the other party.

In the event that either party gives notice of termination or cancellation of this Agreement to the other, any orders accepted by Parker prior to the date of such notice will be completed and shipped in accordance with the terms of this Agreement. During the period between the date of notice of termination or cancellation and the effective date of such notice, Parker will accept only those orders of Distributor that provide for shipment directly to the customer within a reasonable period of time after the effective date of termination or cancellation in quantities consistent with the customer's prior buying pattern. Acceptance of any orders by Parker from Distributor after termination or cancellation of this Agreement will not constitute a revival of this Agreement or a waiver of Parker's right to treat this Agreement as terminated or canceled.

Between the time that notice of termination or cancellation is given and the time the termination or cancellation becomes effective, Parker, may without any compensation to Distributor, sell Products directly to customers who previously purchased Products or were offered Products from Distributor, arrange for other Parker distributors to sell Products directly to such customers or make other appropriate arrangements for the sale of Products to such customers. Further, Parker may take whatever steps it deems appropriate to arrange for a successor to Distributor.

22. Assignment; Change of Ownership. Distributor shall not assign this Agreement or its rights and obligations hereunder to any other party. Distributor shall give Parker written notice of any transfer or series of transfers that result in a change of more than a 25% ownership interest in Distributor (whether by sale or other transfer of stock or otherwise) no later than the effective date of such transfer or change, and as of such effective date this Agreement shall automatically terminate.

23. Amendments. Parker shall have the right to amend any of the schedules, quotas or guidelines referred to herein upon thirty (30) days advance written notice to Distributor. Other terms and provisions of this Agreement may not be waived, modified or supplemented except by written consent of both parties.

24. Governing Law. This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of Ohio, without reference to Ohio's conflict of laws and choice of laws jurisprudence.

25. Sales Reports. In order to assist Parker in compensating its salespersons and otherwise carrying out its obligations, Distributor will, at Parker's request, provide copies of all invoices to its customers for the Products, or data processing printouts or other sales information records acceptable to Parker.

26. Dispute Resolution; Limitation of Remedies.

**A: DISPUTE RESOLUTION: ANY CONTROVERSY OR CLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE ENFORCEMENT, BREACH, TERMINATION OR VALIDITY THEREOF, THAT CANNOT BE SETTLED BY GOOD FAITH DISCUSSIONS BETWEEN THE PARTIES WILL BE SETTLED BY BINDING ARBITRATION IN ACCORDANCE WITH THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION (“AAA”) BY A PANEL OF THREE (3) ARBITRATORS, SELECTED ACCORDING TO AAA RULES. ANY OTHER CHOICE OF LAW CLAUSE TO THE CONTRARY IN THIS AGREEMENT NOTWITHSTANDING, THE ARBITRATION WILL BE GOVERNED BY THE UNITED STATE ARBITRATION ACT, 9 U.S.C. SEC 1-16. THE ARBITRATION AWARD WILL BE IN WRITING AND THE ARBITRATORS WILL GIVE WRITTEN REASONS FOR THE AWARD. THE PLACE OF THE ARBITRATION WILL BE IN THE LARGEST CITY IN DISTRIBUTOR’S HOME STATE, UNLESS THE PARTIES OTHERWISE AGREE. EACH SUCH DISPUTE MUST BE SUBMITTED TO ARBITRATION HEREUNDER WITHIN TWO (2) YEARS FROM THE DATE OF THE OCCURRENCE WHICH GAVE RISE TO THE CLAIM WHICH RESULTED IN THE DISPUTE OR SHALL BE FOREVER BARRED. ARBITRATION HEREUNDER SHALL BE IN LIEU OF ALL OTHER REMEDIES AND PROCEDURES AVAILABLE TO THE PARTIES, PROVIDED THAT EITHER PARTY HERETO MAY SEEK PRELIMINARY INJUNCTIVE OR OTHER INTERLOCUTORY RELIEF PRIOR TO THE COMMENCEMENT OR DURING SUCH PROCEEDINGS.**

**B: LIMITATION OF REMEDIES: THE ARBITRATORS ARE NOT EMPOWERED TO AWARD TREBLED, PUNITIVE OR ANY OTHER DAMAGES IN EXCESS OF COMPENSATORY DAMAGES, AND EACH PARTY IRREVOCABLY WAIVES ANY CLAIM TO RECOVER ANY SUCH DAMAGES. THE ARBITRATORS ARE NOT EMPOWERED TO AWARD ANY DAMAGES OR PROVIDE ANY REMEDIES NOT PERMITTED BY THIS AGREEMENT. EITHER PARTY MAY ACCESS ANY COURT OF COMPETENT AND APPROPRIATE JURISDICTION TO PETITION FOR EQUITABLE RELIEF PENDING ANY ARBITRATION PROCEEDING. EACH PARTY SHALL BEAR ITS OWN EXPENSES FOR ANY SUCH ARBITRATION AND ANY AND ALL SUCH COURT ACTIONS, INCLUDING ATTORNEY FEES AND COURT COSTS AND EACH PARTY SHALL BEAR AN EQUAL SHARE OF ALL COSTS AND FEES CHARGED BY AAA AND THE ARBITRATOR. SHOULD A COURT FIND THAT ANY PART OF THIS SECTION 26 IS UNENFORCEABLE, THE PARTIES EXPECT THE COURT TO EXCISE SUCH UNENFORCEABLE PROVISION AND TO ENFORCE THE REMAINDER OF THIS SECTION.**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate.

\_\_\_\_\_  
*Distributor's Company Name*

PARKER HANNIFIN CORPORATION

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

This Agreement shall not become effective until signed by Parker-Hannifin Corporation.



**MICROTHERMO PRODUCTS AND SERVICES  
DISTRIBUTION AGREEMENT**

**Schedule A  
Products**

**As set forth in Sporlan Division MicroThermo Products Business Unit Price List dated  
March 1, 2013:**

1. Network accessories
2. PC Accessories
3. Software
4. Boards Without Enclosure
5. Boards With Enclosure
6. Boards on Snap track
7. Case Controller
8. Anti-Sweat Kit Control
9. Prewired Lighting Panels
10. Prewired Glycol Panels
11. Gas Sensors
12. Solid State Leak Detector
13. Infrared Leak Detector
14. Replacement Parts
15. VAV Controllers
16. Power Monitoring
17. Temperature and Humidity Sensors
18. Probes Accessories
19. Pressure Transducers
20. Light Level Sensors
21. HVAC Accessories
22. Transformers
23. Prewired Panels
24. Miscellaneous Products/Services



**MICROTHERMO PRODUCTS AND SERVICES  
DISTRIBUTION AGREEMENT  
Schedule B**

**AREA SERVED**

Trading Areas: **State/Counties**

Exceptions: Distributor may sell outside its assigned area to the following accounts and specific locations:

[LIST]

**PRODUCT MARKETS SERVED**

All.

**EXCLUSIVITY**

Distributor shall have temporary exclusivity for each new account Distributor establishes for Products or Services, subject to its ongoing obligation to provide sufficient services to customer, for a period of eighteen (18) months from date of first order from each respective new account.

**MICROTHERMO PRODUCTS AND SERVICES  
DISTRIBUTION AGREEMENT  
Schedule C**

Program Distributor Requirements:

Training on Micro Thermo Alliance Products and Services (the “Products” and “Services”)  
 Maintain Products and Services registered Manual of bulletins  
 Provide local support of Products and Services  
 Achieve and Maintain tested certification on all Products, related systems, and Services  
 Ongoing In-house staff training  
 Maintain appropriate number of certified and tested “expert” or “master” Micro Thermo technicians, as agreed with Parker.  
 Maintain adequate inventory of Products and component parts as required by Agreement  
 Maintain library of Parker’s Products and Services bulletins, CDs and promotional materials and dispense same to customers  
 Provide 24 hour, 7 day per week customer support for the Products and Services  
 Capability to promote MT Alliance Program to end-user customers  
 Capabilities to operate as a “design-build” contractor: specify needed product/systems/services, engineer, design Micro Thermo Alliance applications for end-user customers  
 Achieve Quotas for sales, services and revenue

Program Distributor Benefits:

Receive Full Program Products Pricing Discount  
 Parker will recommend Distributor and its Products and Services to existing and potential end-user customers  
 Distributor will be featured on Parker, Sporlan and Micro Thermo Web Sites  
 References to Distributor in Micro Thermo trade ads and promotional materials

Inventory Requirements:

Part Number	Description	Qty
1	961631F Ctrl for Refr. Compr.+Unld w/bracket	2
2	961632F Ctrl for Refr. Compressor w/bracket	2
3	962336A Alarm board MT336A on snaptrack	1
4	9623744 Antisweat controler on snaptrack	1
5	9623810 FTT Network Repeater on snaptrack	1
6	962500Q MT500 Sensor node on snaptrack	4
7	962504P MT504 on snaptrack	5
8	962508P MT508 on snaptrack	2
9	962512P MT512 on snaptrack	1
10	962634B Ctrlr for 5 refr. circuits on snaptrack	2
11	962636C DT-EEPR Version 3 dual temp for 6 E-Valves on snaptrack	2
12	9520002 Pressure transducer 500psig Refrig w/5m cable Pwr:5VDC	5
13	9520004 Pressure transducer 200psig Refrig w/5m cable Pwr:5VDC	5
14	230328 OSA Temperature sensor, 10k type 2 therm	5
14	230073 Case temperature sensor, 10k T2 therm (Bullet shaped) Discharge temperature	10
15	230076 Pipe temperature sensor, 10k T2 therm (Blue lead)	10
16	230072 Pipe temperature sensor, 10k T2 therm (Orange lead) Defrost terminason temperature	10



**MICROTHERMO PRODUCTS AND SERVICES  
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Schedule D**

Sales, Services and Revenue Quotas:

	Minimum New Sales \$	Number of new stores #	Number of new Accounts #
Year 1	\$25,000	2	1
Year 2	\$50,000	4	2
Year 3	\$100,000	5	3
Year 4	\$150,000	6	4