

**The Cycle Group DBA (Box Components)  
United States Authorized Indirect Dealer Agreement  
August 2022**

THIS AGREEMENT is made as of the day of electronic execution by and among The Cycle Group DBA (Box Components), with offices at 1580 N. Orangethorpe Way, Anaheim, CA 92801 (“**Seller**”), and the Dealer that has electronically executed this Agreement (“**Dealer**”). This Agreement describes the rights and obligations of Dealer and Seller with respect to the appointment of Dealer as an Authorized Dealer of the Products. Dealer and Seller each acknowledge that the following terms and conditions are essential to maintaining the viability of Seller's distribution network for the Products and ensuring the success of its resellers. Seller and Dealer are each sometimes referenced herein as a "party" or collectively as the "parties." The parties agree as follows:

1. Definitions.

a. Portal: The (“**Portal**”) shall mean the Seller Authorized Dealer Portal and its contents located at: [https://boxcomponents.com/authorized\\_dealer\\_information\\_page](https://boxcomponents.com/authorized_dealer_information_page) as amended or modified from time to time within the sole discretion of Seller.

b. Products: The (“**Product(s)**”) shall mean the Seller's products, related equipment and accessories listed on Schedule A.

c. Territory: The (“**Territory**”) shall mean the United States of America and its territories of Puerto Rico, Guam, Northern Mariana Islands, and APO/FPO (official overseas military mail addresses). Dealer acknowledges that any sale of the Products outside the Territory is prohibited under this Agreement.

d. End-User: An (“**End-User**”) is any purchaser of the Product(s) from the Authorized Dealer who is the ultimate consumer for whom the Product is designed and who does not intend to resell the Product to a third party.

2. Appointment. ***For the term of this Agreement and unless otherwise agreed, Seller appoints the Dealer as a non-exclusive Authorized Dealer of the Products with the authority to sell only to End-Users within the Territory at the locations as approved by the Seller in the “Locations & URLs” section of the Portal.***

3. Internet Advertising and Sales. Seller is the exclusive seller of all Products, referenced in Schedule A, on Amazon 3rd Party Marketplace & Amazon FBA Marketplace. All other Dealers are prohibited from selling on Amazon 3rd Party Marketplace & Amazon FBA Marketplace.

Dealer is expressly prohibited from selling the Products on the Internet without written approval from Seller. Dealer shall not offer Product for sale on any unauthorized sites. Notwithstanding the above, the Dealer may advertise the availability of Products (informational only, no ability to purchase through the website) only on their primary company URL and any 3<sup>rd</sup> Party Marketplace URLs as currently designated in the Portal.

4. Sales / Authorized Dealer. The parties acknowledge that the terms and conditions of the sale of Products to Dealer through a Seller-Authorized Distributor are governed by the contract or agreement as between Dealer and that Authorized Distributor. But, as a condition of being appointed as an Authorized Dealer of Seller's Products, Dealer agrees that its sales of Products to End-Users shall also be governed by this Agreement. The parties mutually agree that any attempt by Dealer to unilaterally modify this Agreement shall be null and void. Any changes to this Agreement must be mutually agreed to by the parties, in writing, by a representative with authority to bind each party.

5. Sales / Purchase Restrictions:

a. No Sale of Product outside the Territory. Dealer shall only sell and advertise for sale the Products within the Territory. Dealer represents that it shall not offer, solicit or sell Product, either directly or indirectly, outside the Territory. Dealer shall not knowingly sell Product, if Dealer knows or has reason to know, that the Product will be sold or offered for sale outside of the Territory.

b. Sales of Product to Only End-Users. Dealer shall not offer for resale or sale the Products, directly or indirectly, to any person or entity other than to an End-User

c. Dealer shall not purchase Products from anyone other than an Authorized Distributor. Dealer shall only sell Products purchased from an Authorized Distributor. Dealer shall not sell or offer for sale any product bearing a trademark, name or designation associated with Seller, which Dealer purchased or obtained from a source other than directly from an Authorized Distributor. Dealer shall not obscure or alter in any fashion the serial number on any Product or its packaging

6. **Liquidated Damages.** For each occasion that Dealer breaches Sections 3, 4, 5 of this Agreement by engaging in the unauthorized sale of Products, in addition to all other remedies available to Seller under this Agreement and at law, Dealer agrees to pay Seller, as liquidated damages and not as a penalty, the greater of the following amounts: (i) the actual costs and fees associated with Seller's investigation and enforcement regarding the Dealer's unauthorized sales, or (ii) five times (5X) the MSRP of

**the Product(s), per unit of Product. The parties agree that, in the event of a breach under Sections 3, 4 or 5, damages may be difficult to calculate and as such these liquidated damages reflect the parties' reasonable estimation of damages in such event and agree that the damages as reflected here are not, and are not intended to be, punitive.**

7. Intellectual Property. Seller owns the exclusive right, title and interest in and to any and all inventions, patents, patent applications, works of authorship, copyrights, trademarks, service marks, trade names, trade dress, trade secrets, design rights, logos, commercial symbols, registrations, applications, domain names and any other intellectual property and proprietary rights anywhere in the world pertaining to the Goods, its products, packaging, labeling, advertising and promotional materials used for and/or relating to the Goods (collectively, "Intellectual Property"). In consideration for Dealer's agreement to comply with the terms of this Agreement (and during any agreed term that may apply), Dealer agrees that it shall not impair any such right, title and interest, and that all use of the Intellectual Property by Dealer, and all goodwill resulting from any use of the Intellectual Property, shall inure solely to the benefit of, and be on behalf of, Seller. Except for the express, limited trademark license granted below, Dealer shall acquire no rights whatsoever in or to Seller's Intellectual Property. If Dealer does acquire any right, title, or interest in or to any Intellectual Property, Dealer hereby assigns, transfers, and conveys all such rights, title, and interest, free of charge to the Seller.

a. Limited License of Trademark: Seller grants to Dealer a non-exclusive, non-transferable, non-assignable, non-sub licensable, royalty-free right to use, the tradename, logo and other trademarks (collectively, the "Trademarks") of the Seller and the Goods, solely in the United States (or any other country or territory as expressly agreed in writing) to promote and sell the Goods in the Territory and only through authorized resale channels, in accordance with the terms and conditions of this Agreement. Dealer shall use such Trademarks in accordance with any brand standards or guides that may be available to and/or communicated to Dealer from time to time, and in accordance with the restrictions and limitations described in the attached Schedule B and Schedule C and using Seller's Trademarks in the attached Schedule D.

b. Termination: Upon expiration or termination of this Agreement, Dealer shall immediately (i) cease and desist using any Trademark and (ii) return to Seller all embodiments of such Intellectual Property and any other materials of Seller. If Dealer is authorized to sell its remaining inventory post-expiration/termination, then Dealer may continue to use the Trademarks solely for that purpose and only for the agreed upon time.

8. Dealer Obligations. During the term of this Agreement, Dealer shall:

- a. use best efforts to display, promote, demonstrate, market, and sell the Product(s) within the Territory, provide quality post-sale customer support for Products and all End-Users, and make no claim as to the Products features or capabilities in the Dealer's advertising which has not been currently preapproved and disseminated directly to Dealer by Seller;
- b. only purchase Products directly from an Authorized Distributor, and maintain and stock a representative sample of Products; maintain qualified personnel with knowledge of the specifications, features and use of the Products;
- c. advise Seller promptly if Dealer becomes aware of any infringement of Seller's Intellectual Property or suspects counterfeit or unauthorized sales/purchases of Product by third parties both in and outside of the Territory;
- d. preserve and enhance the reputation and goodwill of Seller and the Products and avoid any illegal or unethical actions, including without limitation "bait and switch" practices;
- e. conduct and maintain at all times its operation in compliance with all applicable laws, including but not limited to Federal and State Laws and regulations of the United States, the US Federal Trade Commission consent orders, county and city ordinances and regulations and any other applicable law, regulation or ordinance. Dealer agrees not to engage in any unfair trade practices. Dealer shall indemnify and hold Seller harmless from any cost or liability, including costs of litigation and attorney's fees as may be incurred in defending any civil, criminal, or administrative action brought against Seller, its officers, employees, or agents of Seller that may result from a violation of this paragraph; and
- f. comply with terms and conditions of this Agreement.

9. Term. The ("Term") of this Agreement shall begin on the Effective Date and, unless sooner terminated as provided herein, continue in full force and effect for one (1) year from the Effective Date. This Agreement is an agreement for a definite term and shall not be interpreted to give rights or any expectations beyond the current one (1) year term. The parties agree, that unless otherwise terminated as provided herein, this Agreement will automatically renew for consecutive one (1) year Terms, up to a total of five (5) years from the Effective Date, at which time this Agreement shall terminate.

10. Termination. This Agreement may be terminated as follows:

- a. by Seller immediately upon written notice to Dealer in the event of a material breach by Dealer of Sections 2, 3, 4, 5, 7, 8e or 8f of this Agreement;

or

b. notwithstanding any other sections of this Agreement, by Seller or Dealer, without cause or liability, upon thirty (30) days' prior written notice to the other. Both parties agree that a thirty-day notice is reasonable and that termination in accordance with this agreement shall not be an abrupt termination.

11. Liability & Obligations Upon Expiration/Termination. Neither Seller nor Dealer shall be liable to the other by reason of the expiration or termination of this Agreement, including, without limitation, liability based on tort, compensation, reimbursement, or damages for present or prospective profits, or on account of investments, expenditures or commitments made by Dealer, or as a result of the establishment, development or maintenance of the goodwill of Seller, the Dealer or the Products. Any termination or expiration of this Agreement shall not relieve either party of any outstanding obligation or liability for Products sold or for any other matter or reason that accrued prior to the termination or expiration. Upon expiration or termination of this Agreement, Dealer shall immediately cease to represent itself as an Authorized Dealer and cease all use of the Seller Intellectual Property, as provided in the Schedules. Seller and Dealer, however, shall continue to honor those obligations to one another that continue under this Agreement and the Schedules.

12. Amendments and Waivers.

a. Except as otherwise set forth in this Section 12(b) of this Agreement, this Agreement may be amended, waived, or modified only by a written instrument signed by an authorized representative of both parties stating specifically that it is an amendment, waiver, or modification. No waiver of any provision at any time shall be deemed a permanent waiver of such provision, or a waiver of any other provision of this Agreement. Failure to enforce a provision shall not be deemed a waiver.

b. Seller may amend any Schedule in this Agreement or any information contained in the Portal by providing notice to the Dealer, and any such amendment shall become effective immediately upon receipt of such notice, which shall include posting such notice on the Portal.

13. Entire Agreement / Order of Precedent. This Agreement, the attached Schedules, any additional terms and conditions mutually agreed upon in writing by the parties, the information contained on the Portal, set forth the entire understanding and agreement of the parties, and supersede any and all oral or written agreements or understandings between the parties as to the subject matter of this Agreement. In the event that there is a conflict between the documents that make up the Entire Agreement.

14. Change in Ownership/Name Change.

a. If Dealer transfers or disposes of all or substantially all of its assets, business and/or the Dealer locations by way of a sale of assets or stock, or through a merger or similar type of transaction, or if Dealer is a privately-owned business and there is a change in senior management, then this Agreement shall terminate immediately without notice, unless otherwise agreed in writing by both parties. The new owner(s) or manager(s) of Dealer shall have no rights under this Agreement and shall not market, advertise, and/or offer for sale Products until and unless such new owner(s) or manager(s) first apply to and become authorized by Seller as an "Authorized Dealer."

b. Dealer acknowledges that Seller may operate or do business under multiple names and change its name or d/b/a during the term of this Agreement without any notice to Dealer. Further, Dealer acknowledges that in the event of a name change of Seller, or in the event Seller and any of its affiliates and sister companies internally re-organize, or in the event Seller is sold or merged into another company, the terms of this Agreement shall remain valid and continue in full force and effect, and it shall have no effect on the duties or obligations of the Dealer.

15. Unilateral Advertised Price Policy. Dealer acknowledges that Dealer has been informed of Seller's Unilateral Advertised Price Policy ("UP Policy") as it applies to the advertisement for sale of Seller Products from Dealers to End-Users in the Territory. There is no agreement, express or implied, between Seller and Dealer with respect to the advertised or resale pricing of Products. If any director, officer, employee, representative, or other agents of Seller tries to coerce Dealer to agree to the price at which Dealer advertises or resells Seller Products, Dealer shall promptly notify Global Sales Manager at [orders@boxcomponents.com](mailto:orders@boxcomponents.com).

16. Law and Forum. This Agreement shall be deemed to have been entered into and fully performed in the State of California and shall be governed by and construed in accordance with the laws of the State of California without regard for the conflicts of laws rules thereof. Dealer agrees that all controversies, disputes and claims arising out of this Agreement shall be adjudicated exclusively by a court of competent jurisdiction within California, except that any judgment in any such action may be enforced in other jurisdictions by suit or in any other permitted manner. Dealer irrevocably consents to jurisdiction and venue of the state and federal courts of California and waives any rights to seek a transfer of venue for any reason or to claim that the forum is inconvenient.

17. Limitation on Liability. **DEALER ACKNOWLEDGES AND AGREES**

**THAT SELLER SHALL NOT BE RESPONSIBLE FOR ANY DAMAGES THAT DEALER MAY INCUR AS A RESULT OF DEALER'S STATUS AS AN "AUTHORIZED DEALER" UNDER THIS AGREEMENT OR FROM DELAYED SHIPMENT, ITS PRODUCT SELECTION OR LACK OF PRODUCT AVAILABILITY, DUE TO INVENTORY SHORTAGE, OBSOLENCE OR DISCONTINUANCE, WHETHER LIABILITY IS ASSERTED IN CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT PRODUCT LIABILITY), WARRANTY, OR OTHERWISE. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR SPECIAL DAMAGES OF ANY KIND (INCLUDING WITHOUT LIMITATION LOSS OF PROFITS OR LOSS OF USE), WHETHER OR NOT SELLER SHALL BE OR SHOULD BE AWARE OF THE POSSIBILITY OF SUCH POTENTIAL LOSS OR DAMAGE. THIS SECTION SHALL SURVIVE EXPIRATION OR TERMINATION OF THIS AGREEMENT.**

18. Relationship. Dealer and Seller are independent contractors, and nothing contained in this Agreement shall be deemed to make Dealer an agent, representative, employee, partner, joint venturer, franchisee, or affiliate of Seller.

19. Contract Interpretation. Each party hereto acknowledges that it has had ample opportunity to review and comment on this Agreement. This Agreement shall be read and interpreted according to its plain meaning and an ambiguity shall not be construed against either party.

20. Severability. The invalidity of any one or more phrases, sentences, clauses, sections or subsections of this Agreement will not affect the remaining portions of this Agreement.

21. Notices. Notices under this Agreement shall be in writing and shall be deemed given on the day of any confirmed email transmission, or three (3) days after mailing or posting on the Portal. Notices to Dealer and Seller shall be sent to the respective addresses first listed atop this Agreement unless a subsequent address is designated in writing by Dealer or Seller. All notices to Seller shall be sent to the attention of its Global Sale Manager.

22. Survival. In addition to any sections that by their nature are designed to survive expiration or termination, or which expressly state that they shall do so, the following sections of this Agreement shall survive the expiration and termination of this Agreement: 1, 2, 3, 4, 5, 7, 11, 16 and 17.

23. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

24. Electronic Execution. The parties hereby agree to execute this Agreement using electronic means including the use of electronic signatures, which the

parties agree shall have the full force and legal effect as if the electronic signatures were traditional hand-written signatures. The Dealer acknowledges that it has the ability to retain this Agreement either by printing or saving it.

Each signatory agrees that he or she has been authorized and has the authority to enter into the Agreement with an electronic signature on behalf of the applicable party and intends to sign this Agreement by applying his or her electronic signature as indicated.



SCHEDULE A

**Products**

***(\* Seller reserves the right to add or remove any Product from this list, within its sole discretion, with reasonable notice to Dealer)***

All goods labeled or branded as "Box" or "Box Components"

## SCHEDULE B

### **Licensed IP - Restrictions and Limitations**

1. Dealer may not use the Licensed IP on the Internet (except to identify itself to consumers as an "Authorized Dealer of Seller Products," using the format provided or approved by Seller).
2. Dealer shall ensure that the Licensed IP is: (a) used in conjunction with the ® or TM designations as directed by Seller; (b) not modified in any manner without the prior written consent of Seller; (c) used alone without any other terms, marks, or designs which may detract from the Licensed IP; and (d) displayed according to specifications and/or brand standards which Seller may provide or amend from time to time. It is Dealer's obligation to request copies of Seller's brand standards and to understand these restrictions and limitations.
3. Dealer shall perform all acts requested by Seller to assure that the nature and quality of Dealer's use of the Licensed IP is consistent with and does not detract from the goodwill associated with the Licensed IP. Dealer is specifically prohibited from registering or using any domain name containing any of Seller's trademarks.
4. Dealer shall have no right, title, or interest in the Licensed IP. All use of the Licensed IP and the goodwill associated therewith shall inure to the benefit of Seller. Dealer shall not do anything inconsistent with Seller's ownership of the Licensed IP, including, but not limited to, using, causing or permitting another party to use the Licensed IP as any part of a uniform resource locator ("URL"), meta data tag, or as a keyword or search engine term. Dealer shall not, during the Term or thereafter, challenge the validity of the Licensed IP or Seller's title to or rights in the Licensed IP.
5. Dealer shall not use the Licensed IP in a manner that disparages Seller or the Products, blurs, dilutes or otherwise diminishes the Licensed IP, or portrays Seller or the Products in a false, competitively adverse or poor light.
6. Except for a 60-day sell-through period from the date of termination of this Agreement, upon termination of this Agreement Dealer shall immediately discontinue and abandon its use of the Licensed IP, shall cease to advertise or represent itself as an Authorized Dealer, and shall cease to market, advertise, offer to sell, and/or sell the Products. Dealer expressly agrees that in the event this Agreement is terminated, and during the 60-day sell-through period, Dealer shall not dispose of Products in any manner that could be considered dumping.
7. Dealer shall promptly inform Seller of any action or conduct of any person which may infringe upon any of Seller's intellectual property rights. Seller shall

have the sole discretion whether to take legal action against any such infringement and any damages or other monies recovered on account of such infringement, whether by judgment, settlement or otherwise, shall belong exclusively to Seller. Dealer shall cooperate fully with Seller in connection with any legal action taken by Seller in connection with any such infringement.

8. Dealer shall comply with the additional conditions regarding the use of Seller intellectual property described in Schedule C headed "Using Seller's Intellectual Property."

## SCHEDULE C

### **Using Seller's Intellectual Property**

As a Seller Authorized Dealer, you will benefit from the fame and inherent value signified by the Seller brand name and our various product trademarks. In addition to being under agreement to use Seller trademarks properly, it is in your best interest to assist in protecting the Seller marks by using them properly in all advertising and promotional materials.

The following guidelines must be followed when using all trademarks owned by Seller. These guidelines are in addition to those provided for print advertising of a particular product:

1. Dealer shall not use or register any Internet domain name containing any Intellectual Property.
2. Dealer shall not, without express written permission from Seller purchase Seller's Intellectual Property through Google's and Yahoo's Adwords programs and/or other web service providers' similar programs.
3. The marks must be reproduced exactly from camera ready artwork provided by Seller.
4. If the Seller logo appears on the Dealer's stationery or business cards, the words "Authorized Dealer" must follow it. This can be accomplished by using the "Seller Authorized Dealer" artwork provided by Seller.
5. There must be no confusion with which entity the customer is dealing. The Dealer's name must be the most prominent name on the page. The Seller logo may not be the only source identifier on the page. The Seller logo trademark may not appear at the top of the page.
6. The Seller logo trademark must not be used in combination with another company mark in such a manner that the marks appear to be joined or associated in any way. Ample space must appear between the two marks to distinguish them as separate entities, in accordance with Seller's brand standards.
7. The Seller logo trademark or any Seller product mark may not be used in a way that will dilute or diminish its value to Seller, such as on others' goods or in any non-approved form.
8. Any use of any Seller mark on a web page must adhere to these guidelines.

9. The registered trademark (®) or trademark (™) or service mark (SM) symbol must appear as a superscript following the appropriate mark on the first most prominent use on each page of a piece. All marks must be capitalized, italicized, or bolded or otherwise treated with prominence.
10. Any use of a Seller trademark which is not addressed in the guidelines set forth herein, must be approved by Seller prior to its use. Submittals for approval should be faxed/emailed to the attention of your Seller representative.

## SCHEDULE D

### **Using Seller's Trademarks**

#### Appropriate Trademark Use:

1. Dealer shall not promote, offer, or sell any specific Good(s), and shall not use any Trademark for the promotion, offer, or sale of any specific Good(s), if the Good(s), its packaging, or any of Seller's Trademarks thereon have been modified, altered, damaged or degraded.
2. Dealer shall not register or attempt to register the Trademarks in any jurisdiction without the prior written permission of an officer or executive of the Seller.
3. Dealer shall not adopt or attempt to register any of the Trademarks or any trademark, service mark, trade dress, or trade name that is confusingly similar to any Trademarks or other mark of Seller, whether owned by Seller, its parents or its subsidiaries, or any translation or transliteration thereof, anywhere in the world.
4. Dealer shall assist Seller in protecting Seller's Intellectual Property and ensuring the proper use of its Trademarks by Dealer and its authorized resellers.
5. Dealer shall promptly inform Seller of any action or conduct of any person which may infringe upon any of Seller's Intellectual Property rights. Seller shall have the sole discretion whether to take legal action against any such infringement. Any damages or other monies recovered because of such infringement, whether by judgment, settlement or otherwise, shall belong exclusively to Seller. Dealer shall cooperate fully with Seller on any legal action taken by Seller with regard to any such infringement.

#### Scope of use:

Dealer may use the Trademarks only to identify Dealer as an authorized reseller, dealer or distributor of Seller's Goods and for marketing, promoting and selling authorized Goods, in the United States and only through authorized resale channels. Use outside the United States must be agreed, in writing, in advance. It is Dealer's obligation to confirm that it is authorized to sell Goods through various trade channels and on-line (e.g., Walmart, EBay and other third-party platforms).

#### No warranty:

Seller makes no representation or warranty as to the validity or enforceability of the Trademarks and as to non-infringement of any Intellectual Property or contractual rights of third parties in the Territory. If Dealer becomes aware of any issue related to Seller's Trademarks or Intellectual Property, Dealer shall promptly notify Seller.