



AUTHORIZED INTERNET RESELLER AGREEMENT

This Hughes Autoformers Authorized Online Reseller Agreement executed between the parties (the "Agreement") is made by and between Hughes Autoformers ("Hughes Autoformers") with principal offices at 1265 N Grove St., Anaheim, CA 92806 ("Company"), and the Authorized Online Reseller which has executed this Agreement ("Reseller"). The "Effective Date" is the date on which the Agreement is executed by the Parties. Company and Reseller are each sometimes referred to herein as a "party" or collectively as the "parties." The parties agree as follows:

1. **Authorization of Online Sales.** Company grants to the Reseller and the Reseller accepts the non-exclusive right to fulfill orders and to market, sell, and distribute the Products to End-Users located in the United States of America (the "Territory") solely on the Internet URL locations listed on their Internet Reseller Profile ("Authorized Websites") attached hereto as Schedule A and approved by Company.
2. **Transshipping.** Reseller shall not knowingly Transship the Products, specifically; it shall not sell or transfer any of the Products to any person or entity for resale. Reseller shall not sell or offer for sale any product bearing a trademark, copyright, patent, or name associated with Company or one of Company's branded lines of products, which Reseller purchased or obtained from a source other than directly from Company or from an Authorized Distributor of the Company.
3. **Geographic Sales Boundary.** Reseller may only sell and advertise for sale the Products within the Territory. Company hereby expressly prohibits the Reseller from soliciting or consummating sales outside the Territory.
4. **Reseller Obligations.** During the Term of this Agreement, Reseller shall:
 - a. use its best efforts to display, promote, demonstrate, market, and sell the Products;
 - b. comply with additional terms of sale as otherwise provided by Company and as such terms may change from time to time by Company in its sole discretion;
 - c. not sell or otherwise promote, advertise, market, or provide the Products outside of the Territory;
 - d. not obscure or alter in any fashion the serial number on any Product or its packaging;
 - e. promptly respond to all communications and correspondence from Company and to comply with all reasonable guidelines, policies, and procedures issued by Company from time-to-time; and
 - f. conduct and maintain at all times its operation in compliance with all applicable Federal and State Laws and regulations, Distributor agrees not to engage in any unfair trade practices.
5. **Commingled Inventory.** Reseller shall not cause or allow the Products to be sold on a third party marketplace if the Reseller is unable to certify that all Products purchased from Reseller are fulfilled with Products the Reseller purchased from Company or a Company authorized distributor.
6. **Sales by Auction.** Sales by the Reseller of Product(s) by way of online auction are prohibited.
7. **Intellectual Property.**
 - a. **Grant.** Reseller is granted a limited, non-exclusive, non-transferable, revocable license to use the Licensed IP for the sole purpose of advertising and promoting the sale of Products within the Territory to End-Users.
 - b. **Restrictions and Limitations.**
 - i. Reseller shall ensure that the Licensed IP is: (a) used in conjunction with the ® or TM designations as directed by Company; (b) not modified in any manner without the prior written consent of Company; (c) used alone without any other terms, marks, or designs which may detract from the Licensed IP; (d) not used in any way that disparages the IP or the Company; and (e) displayed according to specifications which Company may provide or amend from time to time.
 - ii. Reseller 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 Company. Reseller shall not do anything inconsistent with Company'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"), metadata tag, or as a keyword or search engine term. Reseller shall not, during the Term or thereafter, challenge the validity of the Licensed IP or Company's title to or rights in the Licensed IP.



- iii. Upon termination of this Agreement, Reseller shall immediately discontinue and abandon its use of the Licensed IP, shall cease to advertise or represent itself as an Authorized Company Reseller, and shall cease to market, advertise, offer to sell, and/or sell the Products. Reseller must promptly return to Company all Confidential Information, including, but not limited to, all documents and information concerning prices, marketing, advertising, and promotional activities.
8. **Unilateral Pricing Policy.** Reseller acknowledges that Reseller has been informed of Hughes Autoformers' Unilateral Pricing Policy as it applies to the advertisement and sale of Hughes Autoformers Products from Authorized Resellers to End-Users in the United States. If any director, officer, employee, representative, or other agent of Hughes Autoformers tries to coerce resellers to agree to the price at which resellers advertise or resell Hughes Autoformers products, such action shall be considered void, unauthorized, and without effect and resellers shall promptly notify Hughes Autoformers at brandprotection@autoformer.com;
9. **Sales Practices.** Resellers shall conduct their business in a reasonable and ethical manner at all times and shall neither engage in any deceptive, misleading, or unethical practices or advertising at any time, nor make any warranties or representations concerning the products except as expressly authorized by Hughes Autoformers. Resellers shall comply with any and all applicable laws, rules, regulations, and policies related to the advertising, sale, and marketing of Hughes Autoformers products;
10. **Quality Controls.** Resellers shall comply with all quality control standards, including, but not limited to, advertising, storage, and shipping requirements, as announced from time to time by Hughes Autoformers;
11. **Service.** Resellers shall provide the highest levels of customer service. Resellers and their sales personnel shall be familiar with all Hughes Autoformers products marketed for sale and must obtain sufficient product knowledge to advise customers on the selection of the products, as well as any applicable warranty, guarantee, or return policy; and
12. **Product Packaging.** Resellers shall sell Hughes Autoformers products in their original packaging. Relabeling, repackaging, bundling and other alterations are not permitted without written permission from Company. Tampering with, defacing, or otherwise altering any serial number, UPC code, batch or lot code, or other identifying information on products or their packaging is prohibited. Resellers shall not remove, translate, or modify the contents of any label or literature on or accompanying the products.
13. **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 will automatically renew for consecutive one (1) year Terms thereafter.
14. **Termination.** Hughes Autoformers, in its sole and absolute discretion, may terminate its approval for Reseller to market and sell Products at one or all of the Authorized Websites, and Reseller must cease all such marketing and sales immediately on the applicable Authorized Website(s) upon receiving notice of such termination. Upon termination of approval to market and sell Products at one or more Authorized Websites, Reseller's authorization to use Hughes Autoformers IP on such websites shall be revoked. Hughes Autoformers may terminate this Agreement with written notice at any time. On termination of Reseller's status as an Authorized Reseller, this Agreement shall terminate automatically, and Reseller shall immediately cease all marketing and sales of Products on the Authorized Websites.
15. **Buyback of Inventory.** After notice of termination, Reseller, if requested by Hughes Autoformers will (a) sell to Hughes Autoformers all of Reseller's saleable and encumbrance-free inventory of the Products chosen by Hughes Autoformers at the actual price paid or in lieu of any amount due and (b) ship such inventory as directed by Hughes Autoformers at Hughes Autoformers's expense
16. **Availability of Injunctive Relief.** If there is a breach or threatened breach of the terms in Sections 1 (Authorization of Online Sales), 7 (Intellectual Property), or 14 (Termination) of this Agreement, it is agreed and understood that Hughes Autoformers will have no adequate remedy in money or other damages and accordingly shall be entitled to injunctive relief and other equitable remedies; provided, however, no specification in this Agreement of any particular remedy shall be construed as a waiver or prohibition of any other remedies in the event of a breach or threatened breach of this Agreement. No failure, refusal, neglect, delay, waiver, forbearance, or omission by Hughes Autoformers to exercise any right(s) herein or to insist upon full compliance by Reseller with Reseller's obligations herein shall constitute a waiver of any provision herein or otherwise limit Hughes Autoformers's right to fully enforce any or all provisions and parts thereof. Reseller expressly submits to personal jurisdiction and venue in the federal or state courts of record in Orange County, California for any action or proceeding for injunctive relief.



17. **Indemnification.** Except as otherwise provided herein, Reseller shall, and hereby does, indemnify, defend, save and hold harmless Hughes Autoformers, and its directors, officers, employees, shareholders, members, partners, counsel, auditors, accountants, agents, advisors and all other representatives and each of the heirs, executors, successors and assigns of any of the foregoing, from and against any and all losses, liabilities, obligations, actions, causes of actions, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims, and demands whatsoever, in law, admiralty, or equity, known or unknown of any kind to the extent they are caused by, arise from, or are incurred in connection with (a) any breach of, or failure to perform, any term, covenant or condition in the Agreement by Reseller, or (b) the negligence or willful misconduct of Reseller or its officers, employees, agents or contractors.

18. **Miscellaneous**

- a. **Modification.** Hughes Autoformers reserves the right to update, amend or modify this Agreement upon written notice to Reseller. Unless otherwise provided, such amendments will take effect immediately and Reseller’s continued use, advertising, offering for sale, or sale of the Products on the Authorized Websites following notice of the amendments will be deemed Reseller’s acceptance of the amendments.
- b. **Waiver.** No waiver of any breach of any provision of this Agreement shall constitute a waiver of any prior, concurrent, or subsequent breach of the same or any other provisions hereof, nor shall it constitute a course of dealing and no waiver shall be effective unless made in writing.
- c. **Severability.** If any provision of this Agreement is held contrary to law, the remaining provisions shall remain valid.
- d. **Assignment.** Reseller may not assign this Agreement without the prior written consent of Company. Subject to the foregoing, this Agreement shall bind and inure to the benefit of the Parties hereto and its respective successors and assigns.
- e. **Entire Agreement.** This Agreement, the terms and their attachments, if any, constitute the entire agreement between the Parties regarding the contemplated transactions and supersedes all prior agreements and understandings between the Parties relating to the sale of the Products online.
- f. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.
- g. **Governing Law.** The terms of this Agreement and any dispute arising under it shall be governed by, construed, and enforced in accordance with the laws of California, without regard to its choice of law rules.
- h. **Confidentiality.** This Agreement, and its attachments, if any, constitute confidential, proprietary information of Hughes Autoformers and shall not be used for any purpose other than the authorized advertising and sale of the Products nor disclosed to any third party without the prior written consent of Hughes Autoformers.
- i. **Survival.** The following provisions shall survive the termination of this Agreement: Section 7 (Intellectual Property); Section 17 (Indemnification); Section 18(g) (Governing Law); Section 18(h) (Confidentiality); Section 18(i) (Survival)

The Parties have caused this Hughes Autoformers Authorized Online Reseller Agreement to be executed in their respective names by their duly authorized representatives.

Hughes Autoformers _____

RESELLER _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

SCHEDULE A

Internet Reseller Profile

Application for Website Approval	
Requested Websites: Please identify all websites or mobile applications through which you wish to market for sale and sell Hughes Autoformers Products (<i>one per line, exact spelling required</i>). <i>Example: www.ABCStoreName.com</i> <i>Example: Amazon.com / Storefront name "ABC Store" / Merchant ID</i>	Hughes Autoformers Use Only
1.	Δ Approved Δ Declined
2.	Δ Approved Δ Declined
3.	Δ Approved Δ Declined
4.	Δ Approved Δ Declined
5.	Δ Approved Δ Declined
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