

# **TROXUS**

## **AUTHORIZED DEALER AGREEMENT**

This agreement is made at Vista, California as of the date set forth below, by and between Troxus USA, a Delaware corporation doing business at 2485 Coral St, Vista, CA 92081 and the Reseller named in this document (herein after referred to as "Dealer").

Troxus USA and the Dealer therefore agree to the following terms and conditions upon which Troxus USA appoints the Dealer as an authorized retailer of the brands and/or products designated below in item 11:

Whereas, Troxus USA produces quality products to specialty retailers for resale to customers.

Whereas, the Dealer is engaged in the business of selling e-bicycles and e-bicycle accessories to retail customers and desires to purchase for resale the products below in Item 11:

- 1. Appointment:** Troxus USA is pleased to appoint the Dealer, and the Dealer agrees to serve upon the terms and conditions set forth in the Agreement as a retail sales Dealer of the brands and/or products designated below in item 11.
- 2. Dealer Location:** This Dealer application and agreement applies solely to the commercially-zoned, "brick-and-mortar" retail store located at the addresses listed. Retail sales are to be made only from such locations. Non-commercially zoned structures or other special circumstances will not be permitted to carry Troxus branded products (nor any of its subsidiary brands) without expressed written consent from Troxus USA. In the event additional retail locations under the same ownership are opened, or acquired by the Dealer, the Dealer must submit to Troxus USA a separate application for each additional location. Approval of this application will not guarantee the approval by Troxus USA of additional retail sales locations. At no time may an approved authorized Troxus Dealer sell product to any other unauthorized Dealer of similar or different ownership for the purpose of re-sale. Dealer Web Sites do not qualify as an approved location authorized for resale without express written consent. See Schedule A attached for additional locations.
- 3. Internet Sales:** In general, the Internet and Dealer websites are primarily used as information sources for the sole purpose of promoting the sale of Troxus, branded products. Any sales activity over the internet is by agreement, strictly forbidden without the express written approval of Troxus USA. Troxus reserves the right to establish and enforce merchandising standards and minimum stocking levels for its brands that are intended for sale via the Internet. Any internet activity relating to the sale of Troxus, or its affiliate brands, if approved in writing, is strictly limited to the United States only. Sales to customers outside of the United States are strictly prohibited.
- 4. Open Auction and Third Party Websites:** Sale of any products, regardless of brand, on any Open Auction or Third Party website without Troxus's written consent is strictly prohibited. At Troxus's sole discretion, some exceptions may apply subject to written approval in advance. This Dealer Agreement does not authorize the sale of products through the internet. It is simply an advisement that a separate agreement exists, governing internet sales. By signing this Dealer agreement, the Dealer acknowledges existence of our Internet Policy and agrees to abide by the terms and conditions of that policy, and of this paragraph.
- 5. Term:** This agreement shall remain in force for a period of 12 months commencing on (Date)\_\_\_\_\_ and ending on (Date)\_\_\_\_\_. Unless otherwise terminated, amended, or altered in any way this agreement will automatically be extended for a 12 month period of time beyond the original term. This extension term clause will repeat unless otherwise terminated, amended, or altered in anyway.
- 6. Obligation of Dealer:** In addition to satisfying its other obligations, the Dealer shall:
  - (a.)** Sell, inspect, and deliver all Troxus, e- bicycles or parts and accessories to the customer.
  - (b.)** Sell, inspect, and deliver all bicycles complete, with all originally specified equipment.
  - (c.)** Provide all customers with the product owner's manual supplied in the original carton. Advise customer to fully read prior to use.
  - (d.)** Advise all retail customers on the safe use of the bicycle. This includes but is not limited to quick release wheels and seat binders, proper tire pressure, proper brake adjustment, use of a Snell/ANSI-approved helmet, and other safety attire.
  - (e.)** Provide adjustments, recommendations, and/or other services, including advice pertaining to the proper maintenance of Troxus, bicycles and parts.
  - (f.)** Act as an authorized Service Center and repair, replace, or adjust Troxus, bicycles and parts in accordance with established product warranties, regardless of place of purchase.
  - (g.)** Conduct operations from a commercial retail facility with proper retail store front open to the public and designate an area or showroom to adequately merchandise, display, and promote the sale of Troxus and/or its affiliated brand's products unless otherwise approved in writing by Troxus Bicycles.
  - (h.)** Utilize and display promotional and advertising material provided to the Dealer to encourage the sale of Troxus and its affiliate brand's products.
  - (i.)** Provide complimentary 90 days inspection / tune up for all sales of Troxus E Bikes.

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**7. Product Manual:** As an Authorized Dealer, I am entitled to receive a Product Manual for each model year that this agreement is in force. I am aware of the existence of certain policies, programs, general terms, and conditions of sale. These policies, programs, general terms, and conditions of sale are available independent of the distribution of the Product Manual and can be obtained directly from Troxus Bicycles or its assigned agents. I agree to abide by these policies unless otherwise prohibited by law.

**8. MAP Pricing Policy:** Troxus USA provides premium e-bikes and related products. Of utmost importance in maintaining this premium positioning is strict enforcement of our Minimum Advertised Price. This price will be published and listed on all order forms and price lists prior to dealer purchasing Troxus items. Troxus has the right to institute MAP pricing holidays giving dealer no less than a 90 day written announcement of said temporary suspension of MAP policy on or around Mothers Day, Fathers Day and Christmas promotional periods. On dealers first violation of MAP policy they shall be issued a warning. Upon second violation of MAP policy within the calendar year, Troxus USA may unilaterally suspend shipments to dealer in violation of the MAP policy.

**9. Warranty Part Reimbursement:** Troxus will compensate dealer in event of defects in the materials and workmanship for a period of 5 years from the initial sale. Dealer must make all efforts to minimize costs associated with repair and or replacement. In all circumstances dealer shall fill out attached Warranty Application Form and have it accepted before starting any work. UNDER NO CIRCUMSTANCES SHALL DEALER PERFORM ANY WARRANTY OR SERVICE WORK WITHOUT PRIOR AGREEMENT FROM TROXUS USA. All replacement parts shall be sent to dealer on open account terms and the invoice amount will be credited on receipt of defect part or if instructed to destroy part on evidence of said destruction. Adjustment and routine service are not considered warranty and are not reimbursable.

**10. Warranty Labor Reimbursement:** The Troxus limited warranty DOES NOT INCLUDE LABOR for non systemic defect issue. Non systemic means that less than 5% of a given model are effected by the same problem. Troxus will offer a credit for warranty labor under the following circumstances for a period of 2 year from date of initial sale.

**A)** Bike was purchased on line and brought to dealers shop for service.

**B)** Dealer is fixing a manufacturing error at the factory (meaning more than 5% of bicycles are effected)

**11. Troxus Total Care:** Dealer agrees to honor the below discount schedule for Troxus Total Care.

Troxus Total Care		
Year of Ownership	Retail Discount	Dealer Discount
1	30%	25%
2	25%	20%
3	20%	15%
4	15%	10%
5	10%	5%

All prices are based on MSRP and standard dealer prices. Charge for installing the effected part is solely determined by you, the dealer. For theft replacement, you are required to deliver the bike assembled with not charge for that assembly.

**12. Annual Volume:** Dealer agrees to establish this Dealership by providing Troxus with an estimated annual unit volume per brand authorized. Both parties reserve the right to review and/or amend the annual volume by written agreement. Dealer establishes this Dealership based on the following annual unit purchases (dollars for P&A only):

Brand	Authorized	Annual Units/\$\$\$	Amended Units	Amended Date	Dealer Initials	Approved By:
Troxus Utility:	Yes [ ] No [ ]	_____	_____	_____	_____	_____
Troxus Adventure:	Yes [ ] No [ ]	_____	_____	_____	_____	_____
Troxus Urban:	Yes [ ] No [ ]	_____	_____	_____	_____	_____
Troxus MTB:	Yes [ ] No [ ]	_____	_____	_____	_____	_____

**13. Terms and Conditions of Sale:** Payment for all Troxus Bicycle brand products sold on open account will be due and payable pursuant to the terms and conditions stated on Troxus order form and invoice. The terms and conditions set forth in this Agreement and any Troxus Bicycle order forms and invoices, take precedence over any terms and conditions set forth on the Dealer's Purchase Order or similar documents. All sales program participation requires the Dealer to maintain a proper payment history in accordance with Troxus invoice terms. Invoices not paid, in accordance with the terms listed on the invoice, will be subject to a finance charge of 1% per month on the unpaid balance, or the maximum amount allowed by law, as well as any applicable collection costs or fees that Troxus may incur in the collection of sums past due.

**14. Payment Method:** All payments are to be made by ACH, wire transfer or check. Any credit cards shall be charged a 3% convenience / processing fee.

**15. Termination of Agreement:** Unless otherwise required by applicable law, this Agreement may be terminated as follows:

- (a.) By either party to this Agreement upon thirty (30) days written notice.
- (b.) By Troxus USA, effective immediately in the event of a breach by the Dealer of any of the Dealer's obligations under this agreement.
- (c.) By Troxus USA, effective immediately without any requirement of notice, in the event that the Dealer fails to pay its debts as such debts become due, become insolvent, files, or has filed against it a petition under applicable bankruptcy and insolvency laws.

**16. Rights After Termination:** After termination of this Agreement:

- (a.) All of the obligations under this Agreement shall continue with respect to products owned or possessed by the Dealer, or thereafter received by the Dealer.
- (b.) The Dealer shall pay Troxus USA immediately for all products previously or thereafter delivered, regardless of the time of delivery and regardless of the terms of any agreement or payment previously made.
- (c.) Troxus USA shall have no obligation to deliver any products to the Dealer, whether or not orders received prior to termination remain unfilled.
- (d.) Neither Troxus USA nor the Dealer shall be liable to the other for damages of any kind, including incidental or consequential damages on the account of termination of this Agreement for any reason, whatsoever.

**17. Complete Agreement:** There are no other agreements or understandings, either oral or in writing, affecting this Agreement other than Internet Policy. This Agreement cancels and supersedes all previous agreements between the parties relating to the subject matter, covered herein. No amendment, change, or variance from this Agreement shall be binding on either party unless executed in writing.

**18. Severability:** The paragraphs of this Agreement are severable, and in the event any paragraph or portion of the Agreement is declared illegal or unenforceable, the remainder of the Agreement shall continue to be effective and binding on the parties. No waiver of any breach of any of the covenants, agreements, or provisions herein contained shall be construed as a waiver of any subsequent breach of the same or any other covenant or provision.

**19. Assignment:** Dealer acknowledges that it is essential to the interests of Troxus USA to have the right to select the Dealers it shall appoint to distribute Troxus bicycles and related Troxus products and brand affiliates. Neither this Agreement, nor any of the rights granted to the Dealer herein, shall be assignable by Dealer to any person, firm, or corporation.

**20. Choice of Law:** This Agreement shall be made in California and governed by the laws of the State of California.

**21. Other:**

# **TROXUS**

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Application

Dealership Name and Address:

Dealership \_\_\_\_\_ Acct# \_\_\_\_\_

Address \_\_\_\_\_

City/State/Zip \_\_\_\_\_

Owner/Officer Full Name: \_\_\_\_\_

Owner/Officer Signature: \_\_\_\_\_

Telephone: (     ) \_\_\_\_\_

Email: \_\_\_\_\_ Website: \_\_\_\_\_

Recommended by: \_\_\_\_\_

Troxus USA Sales Representative: \_\_\_\_\_ Rep# \_\_\_\_\_ Date: \_\_\_\_\_

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

Approvals: \_\_\_\_\_

Troxus USA : \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

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

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## AUTHORIZED DEALER AGREEMENT

### Schedule "A"

This Schedule lists additional locations to be included with the Authorized Dealer Agreement for the dealer listed below. It is understood that these locations are not authorized unless approved by Troxus Management in writing on this schedule:

Dealership Name, City, and State shown on original Agreement

Store Name (DBA)	Address	City	State	Zip Code
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Additional Locations (A Corporate Dealer list may be included with this schedule and each approved location will be noted)

Store Name (DBA)	Address	City	State	Zip Code
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Store Name (DBA)	Address	City	State	Zip Code
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Store Name (DBA)	Address	City	State	Zip Code
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