FULL FACTORY DEALER TERMS

The purpose of this Agreement is to set forth the terms and conditions under which a Dealer may be appointed to sell Fairdale Bicycles, Sunday Bicycles and other products distributed by FULL FACTORY DISTRIBUTION (hereinafter called "FULL FACTORY") including but not limited to Odyssey, G-Sport, Fairdale, and Sunday, as an Authorized Dealer, and the financial arrangement between the Parties, in accordance with the terms and conditions of this Agreement.

TERMS OF AGREEMENT

(a) The term of this agreement shall begin September 1st, 2021 and effective until terminated by Dealer or FULL FACTORY. Dealer rights under this agreement will terminate automatically if Dealer fails to comply with any of its terms.

(b) This Agreement does not automatically renew. FULL FACTORY may condition its renewal upon Dealer entering into FULL FACTORY's then-current Dealer Agreement.

(c) Either party may terminate this Agreement at any time by providing the other with not less than thirty (30) days written notice of its election to terminate. The Parties may also mutually consent to terminate this Agreement at any time.

(d) FULL FACTORY may terminate this Agreement by written notice to Dealer under any of the following circumstances:

   i. If Dealer breaches the Material Term and conditions of this Agreement; with notice to cure being at the sole discretion of FULL FACTORY.
   ii. Immediately upon the sale, transfer, or liquidation of Dealer's business not in accord with terms of this Agreement; or upon the sale of all or substantially all of Dealer's assets; or upon Dealer's loss of right to occupy the Approved Location; or if Dealer moves to a new location without FULL FACTORY's prior authorization; or fails to provide or renew the license or approval to sell product.
   iii. Immediately upon the filing of a petition of bankruptcy against Dealer which is not dismissed within sixty (60) days, or if Dealer files a petition of bankruptcy, or upon the insolvency of Dealer's business.
   iv. Immediately if Dealer fails to pay any sums due to FULL FACTORY and does not cure such failure within (20) days upon receipt of written notice of such nonpayment.

(e) Upon the effective date of termination of this Agreement, all outstanding orders from Dealer to FULL FACTORY will be deemed cancelled, to the extent FULL FACTORY's products have not yet been shipped by FULL FACTORY.

(f) Upon termination of this Agreement, for any reason, FULL FACTORY shall have the option, within sixty (60) days after the effective date of such termination, to purchase Dealer's inventory which was purchased by Dealer within the past twelve (12) months prior to the date of termination. If FULL FACTORY exercises such option, Dealer will sell and release to FULL FACTORY such inventory at a price equal to the price initially paid by Dealer for the FULL FACTORY products, provided the FULL FACTORY products have been properly stored and are in good and saleable condition.

(g) Upon termination of this Agreement for any reason, Dealer will promptly return any property of FULL FACTORY/ODYSSEY/GSPORT/FAIRDALE/SUNDAY, including without limitation, all sales and marketing documents, manuals and other records and proprietary of FULL FACTORY. Dealer agrees that it will not make or retain any copy of, or extract from, such property or materials. FULL FACTORY agrees to compensate Dealer for the cost of any returned sales materials that were authorized by FULL FACTORY and purchased by Dealer within twelve (12) months of the date of termination.

GRANT OF AUTHORITY

FULL FACTORY hereby grants to Dealer the non-exclusive, unless otherwise specified, right to sell and service FULL FACTORY products in a retail establishment, and to use Odyssey, G-Sport, Sunday and Fairdale trademark, trade names and service marks in advertising and in the sale and service of FULL FACTORY products. Dealer is authorized to operate such retail establishment at the location set forth in the Dealer Application submitted with this Agreement to FULL FACTORY to become a Dealer (hereinafter referred to as the Approved Location). Dealer accepts such Dealer grant on the terms and conditions set forth herein.

MINIMUM ADVERTISED PRICE (MAP) POLICY

FULL FACTORY has determined that its interests and the interests of its retailers are best served through a minimum advertised price ("MAP") policy. This MAP policy is designed to (i) protect retailer margins so that desirable pre-sales and post-sales services and infrastructure can be provided by our channel partners; and (ii) support the FULL FACTORY brands (Odyssey, Sunday, G-Sport, and Fairdale) as a premium offering. Although retailers remain free to establish their own prices, FULL FACTORY retains the right to, without warning, and without assuming any liability, unilaterally determine whether a retailer has failed to adhere to this MAP policy in which case any pending orders will be cancelled, and access to any product will be denied where the customer is in violation of the pricing policies. This policy has been unilaterally adopted by FULL FACTORY and all brands affiliated. This MAP policy covers all U.S. FULL FACTORY retailers. FULL FACTORY will not discuss any conditions of acceptance related to this MAP policy, as it is non-negotiable, and will not be altered for any retailer. FULL FACTORY neither solicits, nor will it accept, any assurance of compliance with this MAP policy. Nothing in this MAP policy or in any other contract or agreement with FULL FACTORY shall constitute an agreement between FULL FACTORY and retailer that the retailer will comply with this MAP policy. MAP applies only to minimum advertised prices and does not apply to the price at which the products are sold, or to advertised prices higher than the unilateral MAP established by FULL FACTORY from time to time.

MSRP pricing is the set MAP pricing. The MAP shall not be less than the MAP listed on the published pricelist available in your FullFactoryDistro.com account page. The MSRP pricelist and MAP guidelines may be changed from time to time at the sole discretion of FULL FACTORY. Retailers are responsible for remaining current with MAP policy, products, and pricing. Any advertisement below the MAP will be a violation of the policy. Authorized retailers advertising (internet, catalogue, billboards, television, radio, mass media, direct mail, email, etc.) any products may not advertise products at a price less than the applicable MAP, and may not advertise any discounts, rebates, credits, or similar price reduction that serves to reduce the net advertised price below MAP, whether any such reduction is expressed in terms of specific dollar amounts or more generally described as a reduction from MAP or the selling price. Items not listed in the current MAP/MSRP list are not subject to this policy.

It is FULL FACTORY'S sole obligation to enforce this policy in a fair and uniform manner. Information provided from dealers to FULL FACTORY about the pricing used by competing dealers, or about possible violations of the agreement by competing dealers will not be accepted by any means of communication.

FULL FACTORY reserves the right at any time to modify, suspend, or discontinue the MAP policy in whole or in part, or to designate promotional periods during which the terms of the policy change, or to designate periods of time during which the policy is not applicable. All Dealers will be notified of such dates and promotional periods at least seven (7) calendar days prior to the commencement thereof.

ONLINE SALES POLICY

FULL FACTORY products may not be listed, sold on, and shipped through a third-party web site like Amazon, eBay, Sears, Jet.com, Newegg, Rakuten, Walmart, etc., or any other site that functions as a third-party market aggregator without prior signed authorization from FULL FACTORY. Contact your sales representative for details.

All product listings must explicitly follow the above Advertising/Use of Trademark guidelines, MAP policy, and use the official product title names with matching photos and descriptions.

FULL FACTORY views any online presence as an extension of a brick-and-mortar store. In order to maintain an account with FULL FACTORY, all online sales channels including websites and third-party marketplaces must clearly identify your business by including:

i. The name of your retail store
ii. Address of your retail store
iii. Contact information including phone number and hours of operation

Failure to comply with this policy may result in suspension of your FULL FACTORY account.

PROHIBITED SALES STRATEGIES

(a) FULL FACTORY products may not be advertised or sold using "make an offer" or "price matching" sales strategies.

(b) These strategies include, but are not limited to, offering a percentage discount on a purchase over a certain dollar level, or combining frames with other items where the resulting "package" price is only slightly over our MSRP.

(c) These products may not be included in any coupon, discount, or offer that in effect reduces the price below our Minimum Advertised Price (MAP). Except, but not limited to, during any designated dates and promotional periods, as stated in the MAP policy.

(d) FULL FACTORY reserves the right to restrict sales to any dealer who violates either the letter or spirit of this policy.

Dealers who use these promotional strategies must exclude FULL FACTORY products from the promotion and clearly indicate that exclusion in their advertising.

RESERVATION OF RIGHTS

FULL FACTORY reserves the right to take the following actions: (i) to appoint or be represented by other Dealers; (ii) to make sales directly to any or all customers it deems appropriate, regardless of the location of the purchaser; (iii) any and all rights not otherwise expressly granted to Dealer by the terms of this agreement.

DISCONTINUANCE AND MODIFICATION OF PRODUCTS

FULL FACTORY will have the right at any time to introduce new Odyssey, G-Sport, Sunday, and Fairdale products; and/or discontinue the sale of any of its products without incurring any obligation or liability whatsoever.

ADVERTISING

FULL FACTORY and Dealer agree to promote the FULL FACTORY brands and products. Dealer agrees to use the FULL FACTORY, Odyssey, G-Sport, Sunday, and Fairdale trademark only as permitted by the terms of this Agreement. Dealer will, at all times, display a sign identifying the store as a Dealer of FULL FACTORY products. Dealer will use reasonable efforts to promote service and sell FULL FACTORY products.

USE OF TRADEMARK

Authorized Dealer is granted the non-exclusive right, only for the limited term of this Agreement, to use Odyssey, G-Sport, Sunday and Fairdale products trademarks as identified by FULL FACTORY from time to time to identify the Dealer's retail Store as a FULL FACTORY Dealership. Dealer agrees and acknowledges that FULL FACTORY's trademarks, trade names, and service marks are owned exclusively by FULL FACTORY, and nothing in this Agreement is meant to create any ownership interest in or by Dealer in such trademarks, trade names, or service marks. Dealer otherwise acknowledges that it has no ownership rights, title, or interest in any FULL FACTORY trademark, trade name or service mark, nor does Dealer have any right or interest to use any such mark as a part of Dealer internet domain, as a part of Dealer's business name, or for any other purpose not expressly set forth and identified herein. FULL FACTORY agrees to hold Dealer harmless from any claim that Dealer's proper use of such trademark infringes upon the rights of any third party. Any other use by Dealer of a trademark owned by FULL FACTORY must be in a form and format approved by FULL FACTORY in advance of such usage.

DEALER RESPOSIBILITY

As a FULL FACTORY “Authorized Dealer”, the Dealer agrees to maintain a physical retail store (the Store) for the sale of FULL FACTORY products at the Approved Location. Dealer will comply with all laws, ordinances, and regulations, both state and federal, applicable to Dealer’s business. Dealer shall pay and discharge, and FULL FACTORY will have no obligation to pay for, any expenses or costs of any kind or nature incurred by Dealer in connection with its sale of FULL FACTORY products, including, without limitation, any expenses or costs involved in marketing FULL FACTORY products. Dealer agrees to notify FULL FACTORY of any personal injury involving a FULL FACTORY product within ten (10) days of the occurrence or Dealer’s receipt of information of such injury. Authorized Dealer must provide assembly by a certified mechanic, for all Fairdale/Sunday bicycles sold and/or picked up in store. Authorized Dealer must present all brands in a positive manner and represent the brand in a positive manner in all print or verbal communication.

RESTRICTIONS

Dealer agrees that it will not engage in any illegal activity, including but not limited to, activity involving any illegal, deceptive, misleading, or unethical business conduct. Under no circumstances is a FULL FACTORY domestic Dealer allowed to sell FULL FACTORY products outside of the United States of America.

PAYMENT

FULL FACTORY will invoice Dealer for the FULL FACTORY products at the time of shipment and Dealer will pay such invoices immediately via a valid major Credit/Debit Card, PayPal, or on a Net 30 Terms contract which will be due thirty (30) days from the invoice date unless otherwise approved by FULL FACTORY, in writing, prior to shipment. If Dealer fails to pay the invoice by the due date(s) set out in the invoice, then the Dealer will be charged an interest rate of 1.5% per month (or maximum allowed by law) calculated on simple basis on the amount of the invoice and will forfeit all Dealer incentives attached to that order.

All returned checks and disallowed ACH payments will be assessed an administrative fee of $15.00 (USD) per occurrence.

BACKORDERS

Backorders may be cancelled prior to delivery to Dealer at no charge. Backorders that have been delivered must be handled as returns.

FREIGHT INCENTIVES

For complete bicycles:
QTY 15+ free freight on all complete bicycles.
QTY 8–14 is shared freight cost. 50% freight allowance.
QTY 1-7 no freight allowances.

For Parts and Accessories:
Free freight on all P&A orders over $600.
Half-Cost Freight Allowance on all orders over $400

**Orders of $600+ must be comprised of at least 50% (dollar amount worth) of non-sale items to qualify for free freight.

Dealer is responsible for surcharges for any wrong ship to address or missing information (ex: apartment number), and incorrect freight collect account number. Fees are as follows:

UPS Ground: $20 fee per carton
UPS LTL: $120 fee for re-delivery

Freight allowances and surcharges based on UPS rates. Subject to change without notice.

DELIVERY

All FULL FACTORY products shall be shipped FOB Shipping Point, with title and risk of loss passing at such point. The shipment destination must be Dealer’s Approved Location or some other mutually agreed location. Any taxes, administrative or governmental charges incurred as a result of the purchase of FULL FACTORY products are the sole responsibility of Dealer.

TERRITORY

Dealer accounts may request an exclusive territory restriction from FULL FACTORY, to be based on 10-mile radius of stocking locations. To be considered, stocking Dealer must stock and present the brand as described in the Dealer Responsibility sub-section and maintain a representative stock. “Territory” refers to On-Site Stocking by a dealer, and in no way, refers to marketing territory rights. No marketing territory rights will be granted with dealer physical location stocking rights. Territory is to be guaranteed regarding the opening of new accounts only at the discretion of FULL FACTORY. Current FULL FACTORY Dealers at time of agreement will not be affected by these terms.

Any Dealer found in violation of Dealer responsibility terms will forfeit all territory rights. Previously established Dealers in territory that is newly granted to a subsequent Dealer are exempt from any territory restrictions if all accounts receivable invoices are current and Dealer has placed order within 6 months of new territory establishment. Dealers with multiple locations can stock bicycles for sale in locations outside of protected territory. Bikes may be picked up/serviced at Locations in territory but must be physically purchased at location outside of territory. Territory granted at the discretion of FULL FACTORY and is not guaranteed by order alone. Territory must be requested at time of the Sunday/Fairdale complete bikes new model year prebook, and all Dealer level requirements must be met prior to territory request.

WARRANTY

Dealer will handle and process all warranties as stipulated on manufacturer website. Dealer will submit all required information and materials to the FULL FACTORY warranty department (warranty@fullfactorydistro.com) as requested, failure to do so may result in loss of credit or compensation for warranty claims processed outside of manufacturer guidelines.

FORCE MAJURE

FULL FACTORY shall be excused from delay or non-performance in the delivery of an order and Dealer shall have no claim for damage if and to the extent such delay or failure is caused by occurrences beyond the control of FULL FACTORY including, but not limited to, market conditions; acts of God; war, acts of terrorism, riots and civil disturbances; expropriation or confiscation of facilities or compliance with any order or request of governmental authority; strikes, labor or employment difficulties whether direct or indirect; or any cause whatsoever which is not within the reasonable control of FULL FACTORY. FULL FACTORY will immediately notify Dealer of the existence of any such force majeure condition and the anticipated extent of the delay or non-delivery. FULL FACTORY will, in such event, have the right to allocate available FULL FACTORY products among its customers and Dealers in its sole discretion.

RELATIONSHIP OF PARTIES

(a) The relationship of the Parties established by this Agreement is that of vendor and vendee, and all work and duties to be performed by the Dealer as contemplated by this Agreement will be performed by it as an independent contractor.

(b) Nothing in this Agreement or otherwise, shall be construed as constituting an appointment of Dealer as an agent, legal representative, joint venture, partner, employee or servant of FULL FACTORY for any purpose whatsoever. Dealer is not authorized to transact business, incur obligations, sell goods, solicit orders, or assign or create any obligation of any kind, express or implied, on behalf of FULL FACTORY, or to bind FULL FACTORY in any way, or to make any contract, promise, warranty or representation on FULL FACTORY's behalf with respect to FULL FACTORY products or any other matter, or to accept any service of process upon FULL FACTORY or receive any notice of any nature whatsoever on FULL FACTORY's behalf.

(c) Under no circumstances will FULL FACTORY be liable for any act, omission, contract, debt or other obligation of any kind of Dealer or any salesman, employee, agent, or other person acting for or on behalf of Dealer. Dealer will indemnify and hold FULL FACTORY harmless from any and all claims, liabilities, losses, damages, or expenses (including reasonable attorneys, fees and costs) arising directly or indirectly from, as a result of, or in connection with, Dealer's operation of Dealer's business. The terms of this indemnity shall survive the termination of this Agreement.

ATTORNEY FEES

The parties agree to use the jurisdiction and venues of the federal and state courts located in Los Angeles County, California, USA in any action relating to this Agreement.

DEALER:

_____

SIGNATURE

_____

NAME

_____

TITLE