



RESELLER’S AGREEMENT
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RESELLER’S AGREEMENT

The Effective Date of this Agreement is the date of signature that appears on Page 21 below.

This Agreement IS IS NOT subject to the PSA Addendum

THIS RESELLER AGREEMENT is made as of the Effective Date, by and between:

BluBOX Security, Inc., a Massachusetts corporation with offices at One Tech Drive, Suite 110, Andover, MA 01810 (“**BluBOX**”), and _____

(The “Reseller”)

Background

BluBOX designs, manufactures, distributes, markets, sells, advertises and promotes, and otherwise exploits for commercial purposes proprietary and third-party technology that serves the physical security market, together with other such related businesses, services, investments and ventures as may be agreed-on by its Shareholders from time-to-time. Reseller is regularly engaged in and has expertise in the marketing, sale, license, distribution, and support of security systems. BluBOX wishes to establish a network of Resellers to resell its security products and solutions in the Territory (as hereinafter defined) and Reseller desires to resell such products and solutions to End Users (as hereinafter defined) in the Territory, all in accordance with and subject to the terms and conditions of this Agreement.

Agreement

Accordingly, for and in consideration of the mutual promises and covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge BluBOX and Reseller agree as follows:

The Initial Term of this Agreement shall be three (3) years as defined in Section 9 below.

1. **Defined Terms.** Certain capitalized terms used in this Agreement are defined in the list of “Defined Terms” attached hereto as Exhibit A. Other capitalized terms are defined elsewhere in this Agreement.
2. **Purchase and Sale of Products.**
 - a. **Appointment and License.** Subject to the terms and conditions of this Agreement, BluBOX hereby appoints Reseller as its non-exclusive reseller of the Products throughout the Territory during the Term. Subject to the terms and conditions of this Agreement, BluBOX grants Reseller a limited, non-exclusive, non-assignable right and license during the Term

and throughout the Territory to: (i) market, promote, offer, demonstrate, resell and distribute to End Users, and install, service and maintain BluBØX Hardware, (ii) market, promote, offer, demonstrate, resell, and distribute BluSKY Software Licenses to End Users, and (iii) provide first-line technical support for the Products to End Users. Reseller shall not, directly, or indirectly, resell Products or Licenses outside of the Territory, unless approved in advance in writing by BluBØX. Reseller shall not delegate or subcontract its rights or obligations under this Agreement without the prior written consent of BluBØX, except that Reseller may subcontract portions of the installation under Reseller's supervision. Nothing in this Agreement gives Reseller any rights with respect to other products that BluBØX may develop, manufacture, or market in the future.

- b. **Purchase and Sale of Products.** Subject to the terms and conditions of this Agreement, during the Term, BluBØX agrees to sell and/or license to Reseller the Products ordered by Reseller pursuant to Order Forms or Purchase Orders accepted by BluBØX in accordance with Section 3 below. This Agreement is neither a requirements nor an output contract.
- c. **No Exclusivity.** All rights granted to Reseller under this Agreement are non-exclusive. BluBØX reserves the right to market, promote, distribute, sell and license the Products within and outside the Territory, and nothing in this Agreement will be construed as limiting in any manner BluBØX's right to appoint other distributors, resellers, licensees or agents within and outside the Territory.
- d. **Discontinuation and Modification of Products.** BluBØX may, in its sole discretion, discontinue the sale and/or license of any of the Products and any parts/accessories therefor (except where continued availability is required by law) and make such changes affecting their form, fit or function as BluBØX, in its sole discretion, determines, by giving Reseller prior written notice thereof but without incurring any liability to Reseller therefor. BluBØX will use commercially reasonable efforts to provide such notice at least sixty (60) days in advance.
- e. **Trial Equipment.** BluBØX may from time-to-time, in its sole discretion, periodically loan Products to Reseller for trial and evaluation purposes with its prospective End Users under conditions stipulated in an Equipment Loaner Agreement in form and substance satisfactory to BluBØX and Reseller.
- f. **Demonstration Equipment.** BluBØX may from time-to-time, in its sole discretion, make available certain Products for purchase by Reseller for demonstration and training purposes.

3. Purchasing

a. **MSRP Price List**

- i. BluBØX will sell and/or license the Products to Reseller at the prices set forth in BluBØX's then-current MSRP Product Price List, less Reseller's applicable Discount.

- ii. All prices are stated in United States Dollars (US\$)
- iii. All prices shown in BluBØX's MSRP Product Price List or in any quotation submitted by BluBOX are exclusive of taxes, including local sales tax, use tax, excise or value added tax, or any customs fees where applicable.
- iv. BluBØX's MSRP Product Price List is made available to Reseller by way of BluBOX's knowledge base "BluINFO" and/or via e-mail, and Reseller will keep itself up to date throughout the Term with respect to BluBØX's current MSRP Product Price List.

b. Changes to Price List

- i. BluBØX Resellers will order materials and services by reference to BluBØX's most current MSRP Price List.
- ii. Changes to product listings and associated prices shall appear by way of a new MSRP Price List.
- iii. BluBØX shall have the right to conduct reviews of the entire price list from time-to-time, and any price changes shall be reflected in a new revision of the Price List, and shall become effective immediately upon release of the new Price List.
- iv. Reasonable commercial efforts shall be made by BluBØX to advise Resellers with sixty (60) days' notice of upcoming price changes. BluBØX will post an advisory anytime a price review has occurred.

c. Invoices and Taxes

- i. **Domestic Sales** – BluBOX will invoice and Reseller will pay local sales tax whether it was shown on a BluBOX quotation or not unless:
 - a. BluBOX is not registered to do business in the State where the sale is being made
 - OR
 - b. Reseller has provided documentary evidence to BluBØX PRIOR TO shipment showing that Reseller is exempt from sales tax, usually because the materials are being purchased for resale.
- ii. **International Sales:** Reseller will pay any and all taxes that are imposed or levied by a government or agency – usually at the port of entry.

d. Resale Prices.

- i. Reseller is free to determine the price at which Reseller resells the BluBOX Products or Licenses therefor, as applicable.
- ii. Reseller is solely responsible for collecting payment from its End User clients.

iii. Reseller's payments to BluBØX will be due regardless of Reseller's collection of payments from its End User clients.

e. Orders.

- i. Reseller may place orders for the Products hereunder by submitting a Purchase Order in a form acceptable to BluBØX.
- ii. Each Order must contain the following information: 1) a Purchase Order number, and 2) for each Product listed thereon: (a) the BluBØX product number and product name, (b) the quantity ordered, (c) the unit and extended purchase prices for each Product, (d) the shipping instructions and delivery destination, and (e) the requested shipping date.
- iii. No order will be binding upon BluBØX unless and until accepted by BluBØX.
- iv. The terms and conditions of this Agreement are hereby incorporated by reference into each order submitted by Reseller hereunder. Nothing contained in any order by Reseller will in any way modify or add to the terms of this Agreement.

ANY TERMS OR CONDITIONS SUBMITTED ON ANY FORM BY RESELLER THAT DIFFERS FROM OR ALTERS THE TERMS AND CONDITIONS STATED HEREIN ARE SPECIFICALLY REJECTED BY BLUBØX. BLUBØX'S ACCEPTANCE OF AN ORDER, OR ITS FAILURE TO OBJECT TO PROVISIONS CONTAINED IN ANY COMMUNICATION FROM RESELLER WILL NOT BE A WAIVER OF THE PROVISIONS HEREOF.

- v. Special orders or custom orders defined as orders containing items that are not listed on the then-current BluBØX Price List are, once made, NOT MODIFIABLE, CANNOT BE CANCELLED, and are NON-REFUNDABLE.

4. Shipment and Delivery of Hardware and Associated One-Time Software Licenses

i. Domestic.

- a. Generally, BluBØX ships orders via UPS Ground within five (5) business days from the time the order is accepted by BluBØX.
- b. All shipments are F.O.B. BluBØX's factory or warehouse and title and liability for loss or damage thereto will pass to Reseller upon BluBØX's delivery of the goods to a carrier for shipment to Reseller. Any loss or damage thereafter will not relieve Reseller from any obligation hereunder.
- c. BluBØX will invoice and Reseller will pay shipping and handling costs whether they appeared on a BluBØX quotation or a Reseller Purchase Order, or not. The invoiced value includes a handling fee equal to 4% of the materials cost plus the shipping cost

ii. International.

- a. Generally, BluBØX ships international orders via a freight forwarder within five (5) business days from the time the order is accepted by BluBØX for small orders, and within fifteen (15) business days for larger orders.
- b. All shipments are F.O.B. BluBØX's factory or warehouse and title and liability for loss or damage thereto passes to Dealer upon BluBØX's delivery of the goods to a freight forwarder for shipment to Dealer. Any loss or damage thereafter will not relieve Dealer from any obligation hereunder.
- c. BluBØX's invoices will show a handling charge equal to 4% of the included hardware value whether the charge appears on a BluBØX quotation or a Reseller Purchase Order, or not.
- d. Actual shipping charges, customs fees, local sales, or value added taxes shall NOT be included in BluBØX's quotations or invoices. These charges will be paid by the Freight Forwarder at the port of entry and will be billed directly to the Dealer by the Freight Forwarder.
- e. Reseller is responsible for all import duties, taxes, and any other expenses incurred, or licenses or clearances required at the port of entry and at the destination.

iii. Shipping Dates Approximate. Scheduled or stipulated shipping dates are approximate and based upon prompt receipt of all necessary information from Reseller. BluBØX will not be liable for any loss or expense, whether by way of contract or tort (consequential or otherwise) incurred by Reseller if BluBØX fails to meet the specified estimated delivery schedule.

iv. Installments; Substitute Goods. BluBØX may deliver Hardware in installments. BluBØX may substitute goods manufactured to new specifications - so long as the substituted goods are of equal or greater quality.

5. Product Acceptance.

- a. **Hardware / One Time Licenses** - Hardware and One-Time Software Licenses will be deemed "Accepted" unless a written "Notice of non-Acceptance" is sent to BluBØX, preferably via e-mail, no later than 15 days after the shipment of the Hardware or Software from BluBØX. The Notice must list the items that are not being accepted by Product Number, including serial #s where applicable and supporting photographic or other evidence of the reason they are being rejected. Some legitimate reasons for rejection are that an item does not match the part # that was ordered, or the item was arguably defective before shipment (damage incurred during shipment is not a valid reason if the terms of this Agreement are FOB BluBØX's dock). It is to be noted that non-acceptance of one or more items in a _____

shipment applies only to them, and not to the other items in the shipment. Absent a timely “Notice of non-Acceptance”, Acceptance of the Hardware will occur on the earlier of: (i) communication of acceptance by Reseller, (ii) use of the Hardware in a commercial or production environment, or (iii) fifteen (15) days after shipment from BluBØX.

- b. **Software.** The BluSKY Software is a shared SaaS product and thus not subject to acceptance.

6. Terms and Method of Payment – One Time Items

a. Domestic Business

i. Quoted Business

1. BluBOX quotations normally show the applicable terms of payment. The terms may differ for the delivery of one-time items (such as hardware or Professional Services), recurring items (such as BluSKY licenses or Support Services).
2. The terms of payment that are shown on BluBOX quotations shall always prevail over any payment terms that may appear on an associated Purchase Order unless otherwise agreed in writing by BluBOX.
3. Absent a clear indication of Payment Terms in a BluBOX Quotation or in an ACCEPTED Client Purchase Order for a specific item of business, the Payment Terms shall be NET 30 days from invoice date.

ii. No Quotation Business

Where an order is placed for business that has not been quoted by BluBOX, the terms of payment shall be:

1. In advance of shipment via cash, check, or credit card when BluBØX has not extended, or has suspended, or has withdrawn credit from Reseller, OR
2. Net thirty (30) days from the date of invoice when BluBØX has extended credit to Reseller and the order is within Reseller’s credit limit, OR
3. As negotiated, but only if there is a written agreement on payment terms.

b. International Business

- i. All payments shall be made by Reseller in US Dollars (US\$) via SWIFT wire transfers to BluBOX’s US-based Bank account.
- ii. Unless agreed otherwise, non-recurring items such as hardware, One-time Software Licenses or Professional Services must be 100% paid in advance with the Purchase Order. No items will be shipped, and no services shall be delivered until payment has been received.
- iii. In the event of late payments, BluBOX may, at its sole discretion, change payment terms to Quarterly in Advance in which case payment must be received before the start of the services period, else services may be suspended without notice.

7. Terms & Methods of Payment - Recurring items such as Licenses and Support (Domestic and International)

- a. **Recurring invoices** cover ALL of Reseller's installations, one line item per installation. They are invoiced as:
- b. **Monthly Billings:** The recurring items are invoiced on the first of the month to reflect actual usage in the prior month,
OR
- c. **Quarterly or Yearly in advance billings**, based on an agreed estimate of usage.
HOWEVER
- d. **Monthly, Quarterly or Yearly Payment(s) may be "Negotiated" amounts**, meaning that they are a fixed contract to deliver the services at the stated price for an agreed period of time, usually 12 months,
OR
- e. **They may be "Payments in Advance"**, in which case a supplementary billing will be issued at the end of the paid period if there is a material difference between the Payment(s) in Advance" made and the actual usage.
- f. **At the end of a Negotiated or Payment in Advance Period**, unless otherwise agreed, billing normally reverts to the "Monthly Billing" option described in paragraph a. above.
- g. **Payment Terms**, unless otherwise agreed in writing or indicated in a BluBOX Quotation, are NET thirty (30) days from invoice date unless otherwise agreed in writing.

8. Other Invoicing Provisions

- a. **One-time items delivered in installments:** Reseller will pay separately for each installment.
- b. **Inspection / Acceptance:** Payment will be made for all Hardware and one-time licenses without regard to whether Reseller has made or plans to make an inspection thereof.
- c. **Financial standing:** Reseller is required to maintain good financial standing with BluBOX. Amounts remaining unpaid more than sixty (60) days from date of invoice will bear interest at the lesser of 1½% per month or the maximum rate permitted by law.
- d. **Uncontested non-recurring invoices:** If Reseller fails to make full payment on one or more such invoices within forty five (45) days from the date of the invoice, BluBOX may, upon five (5) days written notice (in addition to any other remedies available hereunder or at law or equity), (i) change Reseller's payment terms for all new invoices of any type to cash-in-advance or by credit card only, and or ii) suspend or terminate this Agreement in whole or in part.
- e. **Uncontested items of recurring invoices:** If Reseller fails to make payment on any uncontested items of a recurring invoice within forty five (45) days from the date of the invoice, BluBOX may, upon five (5) days written notice (in addition to any other remedies

available hereunder or at law or equity), i) change Reseller's payment terms for all new invoices of any type to cash-in-advance or by credit card only, and ii) terminate BluSKY support for the Reseller's End User accounts for which Licenses remain unpaid, and or iii) suspend or terminate this Agreement in whole or in part.

9. Product Returns

- a. An RMA must be requested by Client and received from BluBOX before an item is returned.
- b. Only items that are moving reasonably out of BluBOX inventory or are returnable to the OEM shall be accepted for return - BluBOX's sole determination.
- c. Restocking fee will be 33%.
- d. Returned items must be like-new when received, and in their original shipping boxes. Items received that do not meet these criteria will not be credited and must be picked-up from BluBOX's dock by Client's shipper within 30 days or they will be disposed of.
- e. Freight charges and insurance in any direction are the Client's responsibility.
- f. Any damage in shipment is the Client's responsibility. There is no refund for damaged products.
- g. Refunds are strictly in the form of credits. Not cash.
- h. Client is encouraged not to return items, but to consider putting them into service inventory or hold them for future sale.

10. Recurring License Termination / Account Suspension / Account Termination

See provisions for such actions in Exhibit C attached hereto: "BluSKY License Agreement" – paragraphs 5 to 11.

11. Reseller's Obligations.

- a. **Promotion of Products.** Reseller will actively promote and resell the Products in the Territory during the Term and will install and service such Products in the Territory to the reasonable satisfaction of BluBOX. Reseller will promptly establish and maintain during the Term an adequate number of full-time salespersons, installers and service technicians, duly trained and competent in such work, so that the marketing, installation and service of the Products will be at all times of the highest standard. During the Term, Reseller will at all times adhere to any then-current BluBOX Certification Programs and Reseller Program Guides both of which shall be commercially reasonable.
- b. **Leads Provided by BluBOX.** Reseller will not supply any competitive products to a lead that was furnished by BluBOX unless authorized in writing by BluBOX.
- c. **Reseller's Responsibilities.** Reseller will pay all costs and expenses by Reseller in connection with the fulfillment of its obligations hereunder, including but not limited to commissions or

payments made to sales representatives or employees of Reseller and any expenses incurred in connection with the fulfillment of such obligations. Reseller will purchase, resell, license, distribute, install and service the Products in its own name and on its own behalf and will operate its business at its own risk. Reseller will not be and will not hold itself out in any manner whatsoever, as an agent of BluBØX.

- d. **Preservation of BluBØX Goodwill.** Reseller agrees to conduct business in a manner that reflects favorably at all times on the reputation of BluBØX and its Products, and not to engage in deceptive, misleading or unethical practices. Reseller will not make any representations, warranties, or guarantees with respect to the Products that are inconsistent with those made by BluBØX in its published literature.
- e. **BluSKY Licenses.** Reseller will sell BluSKY licenses to its new End-User clients per the general terms and conditions of the BluSKY License Agreement appearing as Exhibit C to this Agreement.
- f. **Distribution of Hardware & Firmware.**
 - i. **Reseller will resell BluBØX Hardware only for use with the BluSKY website.**
 - ii. **Price Category A BluBØX Hardware must be purchased from BluBOX** and installed in conjunction with the BluSKY software. Substitutions are not allowed and shall be considered a violation of this Agreement.
 - iii. **Take Overs.** In the event of a take-over, Reseller may repurpose existing Category A Hardware if this is possible.
 - a. Reseller must provide a written identification of the system components that are to be repurposed and the number of readers and elevators that will be supported by the repurposed components in the form of a written “Application for Takeover-Approval Request” to BluBOX,
 - b. BluBØX will determine whether the system qualifies for takeover. If Professional Services must be engaged to make this determination, BluBOX will so-advise Reseller before proceeding.
 - c. As part of the takeover approval, BluBOX will provide reseller a quotation that includes the applicable Access Control Integration - Per Elevator and Per Reader charges, and the Professional Services that are needed to support the takeover.
 - d. Take-overs that are registered with BluBØX per clause 11.f.iii above are not subject to clause 11.f. ii. above.
 - iv. BluBØX grants Reseller a non-exclusive and, except as provided below, non-transferable “Right-To-Use license” (the “**RTU License**”) for the firmware that is embedded or installed in any component of Hardware where no separate price is stated in the Product List for such firmware. When reselling Hardware in accordance with the terms and conditions of this Agreement, Reseller may

sublicense the RTU License to its End Users. The RTU License: (i) will be perpetual, starting when Reseller pays BluBØX the full purchase price for the Hardware item.

- g. **Quotas.** Reseller will use commercially reasonable efforts to satisfy the applicable quotas for each Quota Period, as specified in Exhibit B. For the avoidance of doubt, the failure by Reseller to satisfy such quotas will be a material breach of this Agreement by Reseller.
- h. **First-line Technical Support.** Reseller will provide End Users first-line technical support services relating to the Products provided by Reseller to End Users. Such First-line technical support services include without limitation: (i) receiving requests for assistance and support from End Users, (ii) gathering the necessary detailed information about each request for assistance, (iii) reviewing Product Documentation and other reference materials to diagnose the source or cause of any reported problem, (iv) providing End Users with a solution or work-around, (v) promptly reporting back to End Users on progress being made to solve the problem, (vi) communicating with BluBØX regarding problems that cannot be solved using Reseller's resources solely, (vii) coordinating with and passing through to End Users any second-line technical support provided by BluBØX to Reseller, and (viii) whenever BluBØX is involved, keeping BluBØX informed on the status of the resolution effort. In no event shall an End User contact BluBØX for direct assistance or support without BluBØX's prior written consent. For the avoidance of doubt, the failure by Reseller to satisfy its first-line technical support obligations will be a material breach of this Agreement by Reseller.
- i. **Compliance with Export Control Laws.** The license and distribution of the Products hereunder is subject to the export control laws of the United States which include, without limitation, the U.S. Export Administration Regulations, the Trading With the Enemy Act, the International Emergency Economic Powers Act, the Arms Export Control Act and regulations promulgated by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), as amended from time-to-time (collectively, the "Export Control Laws"). All actions taken by Reseller in furtherance of fulfillment of this Agreement will be in compliance with applicable Export Control Laws. Reseller will not export, re-export or license any Product to any parties located in Iran, Cuba, North Korea, Syria, Sudan or any other countries prohibited under U.S. embargoes or sanctions programs maintained by the OFAC or otherwise prohibited under the Export Control Laws. In addition, Reseller will not export, re-export or license any Product to any parties that are named as a "Specially Designated National" or "Blocked Person" as designated by the OFAC (which is currently published under the Internet address <http://www.treas.gov/offices/eotffc/ofac>). Reseller further agrees that it will cooperate fully with BluBØX in furnishing BluBØX with all necessary information and certificates, including End User certificates, that BluBØX may require in order to obtain licenses, comply with export recordkeeping requirements and otherwise comply with the Export Control Laws.
- j. **Compliance with Laws Generally.** Reseller will comply with all laws, rules, and regulations applicable to Reseller and the performance of Reseller's obligations under this Agreement. Reseller will obtain and maintain in full force and effect all applicable permits and/or licenses necessary to comply with all applicable requirements of law related to the conduct

of its business and affairs and the purchase, receipt, sublicense and resale of the Products, as applicable, and the installation, use, operation, and support thereof.

- k. **Reseller Services.** Reseller warrants that all services that it provides related to the resale of the Hardware (including installation, service and warranty support) and the fulfillment of its first-line technical support service obligations as an authorized BluBØX reseller will be provided in a timely, professional and workmanlike manner.

12. Training and Technical Support.

- a. **Training.** BluBØX will provide sales and technical training in accordance with Exhibit B – Section 2. Further training, specialty training or certification and re-certification training shall be delivered through regularly scheduled on-line courses at BluBØX's then-current rates for training services. Optionally Reseller can arrange specific training for members of its staff, either on-line or on-premises, and such training shall be delivered at BluBØX's then-current hourly rates for training services, plus reimbursement for instructor's travel and living costs, if any.
- b. **Technical Support.** Subject to the terms and conditions of this Agreement, during the Term BluBØX will provide Reseller, free of additional charge, technical helpdesk and email support for the Products from 8AM to 9PM (Eastern Time) Monday through Friday, excluding BluBØX holidays.

13. Limited Warranty.

- a. **Warranty.** BluBØX warrants that the BluBØX Hardware will be free from material defects in materials and/or workmanship for a period of one (1) year from the date of shipment (the "**Warranty Period**"). There is no warranty for the BluBØX Hardware after the Warranty Period. BluBØX does not warrant Third-Party Hardware that it may sell to Reseller. Third Party products shall be covered by the original manufacturer's warranty (if any).
- b. **Sole and Exclusive Remedies.** BluBØX's sole and exclusive liability for any warranted Hardware will be (at BluBØX's option) to i) credit Reseller's account for the original purchase price of the Hardware, or to i) either repair or replace the Hardware. Repairs shall be completed with new, reconditioned, or factory-rebuilt parts at BluBØX's sole option. Warranty benefits shall be extended only if: (i) BluBØX is promptly notified by Reseller in writing upon discovery (and within the applicable Warranty Period) that the BluBØX Hardware was found to have failed or be defective – and the notification contains a detailed explanation of any alleged deficiencies, (ii) such BluBØX Hardware is returned to BluBØX, F.O.B. BluBØX's factory or warehouse, and (iii) BluBØX's examination of the returned Hardware indicates that the alleged deficiencies actually exist and were not caused by accident, misuse, neglect, alteration, improper installation, unauthorized repair or improper testing. If the returned Hardware is found to be defective, BluBØX will reimburse Reseller for the reasonable transportation charges paid by Reseller for the return of the Hardware. Reseller must fill-in a Return Materials Authorization form (RMA) for the return of the

Hardware and must obtain an RMA number from BluBØX before returning the Hardware. The Hardware must be returned with complete identification, freight prepaid, and in accordance with BluBØX's instructions or it will not be accepted. In no event will BluBØX be responsible for goods returned without proper authorization.

- c. **Recurring Revenue Licenses and RTU Agreements.** Any warranty with respect to a BluSKY Monthly License Agreement that was sold by Reseller to its End Users, or to a Right-To-Use Agreement (RTU) that was sub-licensed by Reseller to its End Users, will run directly from BluBØX to the End User, as set forth in the BluSKY License Agreement or RTU Agreement. In regard to these Agreements, Reseller will not make (i) any representation or warranty whatsoever on behalf of BluBØX, (ii) any representation or warranty concerning the quality, performance or other characteristics of the Products other than those which are consistent in all respects with, and do not expand the scope of, the warranties provided by BluBØX, (iii) any commitment to modify the BluBØX Product, or (iv) any statement, representation or act indicating that Reseller owns or otherwise has any rights in or to the Products. Reseller hereby agrees to indemnify and hold BluBØX harmless from and against any damage or expense (including reasonable attorneys' fees) resulting from any representation, warranty or commitment made by Reseller in violation of this [Section 13 \(c\)](#).
- d. **Disclaimers.** BluBØX does not warrant that: (i) the Products will meet Reseller's requirements, (ii) the operation of BluSKY or any other BluBØX product will be uninterrupted or error free, or (iii) the BluSKY or other BluBØX products will operate in combination or be compatible to other hardware or software not supplied by BluBØX, except as expressly approved in writing by BluBØX.
- e. EXCEPT FOR THE LIMITED WARRANTIES ABOVE, THE PRODUCTS AND DOCUMENTATION ARE PROVIDED "AS IS". THE LIMITED WARRANTIES ABOVE ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, CONDITIONS OR TERMS, WHETHER EXPRESS OR IMPLIED BY STATUTE, TRADE USAGE OR COURSE OF DEALING OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT, OR TITLE. THE LIMITED WARRANTIES ABOVE DO NOT COVER NON-DEFECT DAMAGE, DAMAGE CAUSED BY IMPROPER INSTALLATION, OPERATION OR CARE (INCLUDING, BUT NOT LIMITED TO ABUSE, MISUSE, FAILURE TO PROVIDE REASONABLE AND NECESSARY MAINTENANCE, OR ANY ALTERATIONS OR MODIFICATIONS TO THE PRODUCT), LABOR CHARGES FOR REMOVING OR REINSTALLING A REPAIRED OR REPLACED ITEM, OR REPLACEMENT BATTERIES.

14. "Term-of the-Agreement" and Termination of the Agreement.

- a. **Term-of the Agreement.** Unless sooner terminated pursuant to [Sections 14\(b\)-\(d\)](#) below, the initial term of this Agreement will commence on the Effective Date and will continue thereafter until the last day of the third (3rd) year following the Effective Date (the "**Initial Term**"). Following the expiration of the Initial Term, this Agreement will be automatically renewed for consecutive one (1) year periods (each a "**Renewal Term**"). The Initial Term and any Renewal Terms are collectively referred to herein as "**the Term**".

- b. **Agreement Changes.** BluBOX reserves the right to change certain terms of this Agreement from time to time and to submit the newer version of this Agreement to Reseller for signature. If Reseller does not agree to the new proposed version of the Agreement, BluBOX may refuse to renew the Agreement when the current term ends.
- c. **Termination for Material Breach.** Either party may immediately terminate this Agreement effective upon delivery of written notice to the other party if such other party materially breaches this Agreement and fails to cure such breach within a period of thirty (30) days after delivery of written notice thereof.
- d. **Termination for late or non-payment.** BluBOX shall have the right terminate this Agreement upon fifteen (15) day written notice to Dealer if Dealer is more than 60 days late for any one payment, or more than thirty (30) days late for three (3) payments over a consecutive six (6) month period. In either of these two events, BluBOX shall have the right to suspend or terminate service to any or all of Dealer's clients, or to take-over billing for licenses and support to such clients, and to pursue payment from Dealer in court or by any other legal means that may be available, and Dealer will pay all of BluBOX's costs incurred in the pursuit of the delinquent payments.
- e. **Termination for Insolvency.** Either party may immediately terminate this Agreement effective upon delivery of written notice to the other party if such other party: (i) admits in writing its inability to pay its debts generally as they become due, (ii) makes a general assignment for the benefit of creditors, (iii) institutes proceedings to be adjudicated a voluntary bankrupt, or consents to the filing of a petition of bankruptcy against it, (iv) is adjudicated by a court of competent jurisdiction as being bankrupt or insolvent, (v) seeks reorganization under any bankruptcy act, or consents to the filing of a petition seeking such reorganization, or (vi) has a decree entered against it by a court of competent jurisdiction appointing a receiver, liquidator, trustee, or assignee in bankruptcy or in insolvency covering all or substantially all of its property or providing for the liquidation of its property or business affairs.
- f. **Effects of Termination.** Upon termination or expiration of this Agreement:
 - i. Reseller shall be classified as an Inactive Reseller. See Section 14. g below for a description of Inactive Reseller rights.
 - ii. Reseller will cease to act as an active Reseller of the Products,
 - iii. All sums due to BluBOX but not yet paid will become immediately due and payable,
 - iv. Reseller will return to BluBOX all BluBOX Proprietary Information (and all copies thereof) in the possession or under the control of Reseller and all sales promotion material obtained in accordance with this Agreement. Upon request by BluBOX, a duly authorized representative of Reseller will certify in writing to BluBOX that all such materials have been returned to BluBOX.

- v. Reseller agrees, if so, requested by any of its End-Users, to cooperate as reasonably required to transition the End-User and any ongoing contractual responsibilities it has with such End User to an authorized BluBØX Reseller or partner of End-User's choice.

g. Inactive Reseller Status

- i. Resellers shall be classified as "Inactive" when their right to pursue new clients has expired.
 - ii. Inactive Resellers may continue to collect recurring revenue from their clients and must promptly pay BluBØX's monthly invoices for such services.
 - iii. Inactive Resellers may order BluBØX hardware items and Professional Services for their existing clients as needed to expand existing systems. The associated monthly licenses will be automatically added to the monthly invoices.
 - iv. Inactive Resellers must pay their invoices promptly, else they shall be subject to the penalties and remedies provided for Active Resellers in this Agreement.
- h. **Survival.** Notwithstanding the termination or expiration of this Agreement, it is acknowledged and agreed that those rights and obligations which by their nature are intended to survive such termination or expiration will survive, including without limitation Sections 14 (f) and (g), and 15-19 (inclusive).

15. Indemnification.

a. Indemnification by BluBØX.

- i. Subject to the provisions of Sections 15(b) and (c) below, BluBØX will indemnify Reseller and hold Reseller harmless against any and all direct damages finally awarded against Reseller by a court of competent jurisdiction or agreed to in a written settlement agreement signed by BluBØX arising out of any claim by a third party that any Product directly infringes any U.S. copyright or trademark, or misappropriates any trade secret, of such third party.
 - ii. BluBØX shall indemnify and hold harmless Reseller and all of its respective Affiliates, officers, employees, directors, distributors, suppliers, customers and agents from and against any and all liability, loss, damage, or expense, including legal fees and costs of defense, arising from any claim, demand, action, or cause of action asserted against Reseller as a result of: (i) BluBØX's breach of this Agreement; (ii) negligence or willful misconduct on the part of BluBØX, its employees, subcontractors, or agents; and/or (iii) BluBØX's failure to comply with federal, state, local, or other applicable law.
- b. **Conditions.** BluBØX's indemnification obligations under Section 15(a) are subject to the following conditions: (i) Reseller will provide BluBØX with prompt written notice of any claim, (ii) Reseller will permit BluBØX to assume and control the defense and settlement of any claim at BluBØX's cost and expense, (iii) Reseller will not prejudice the defense of the

claim, and (iv) Reseller will provide BluBØX with such assistance, documents, authority and information as it may reasonably require in relation to the claim and defense or settlement thereof.

- c. **Exceptions.** BluBØX will have no liability to Reseller under Section 11(a) for any claim that: (i) arises out of any unauthorized use, reproduction, or distribution of any Product, (b) arises out of any modification or alteration of any Product by anyone other than BluBØX; (c) arises out of the use of any Product in combination with any other software or hardware not approved in writing by BluBØX, or (d) could have been avoided by use of the then-current version or release of any Firmware or Locally installed software.

Disruption of Use. In addition, if any BluBØX Application becomes, or in BluBØX's opinion is likely to become, the subject of an infringement or misappropriation claim that may disrupt End User's use of the BluBØX Application, BluBØX may, at its own expense and option, elect to either: (i) procure the right for the End User to continue using the BluBØX Application in accordance with the provisions of this Agreement, the applicable EULA or Subscription Agreement, (ii) make such alterations, modifications or adjustments to the BluBØX Application so that the infringing BluBØX Application becomes non-infringing without incurring a material diminution in performance or function, (iii) replace the BluBØX Application with a non-infringing substantially similar substitute, or (iv) if neither (i), (ii) nor (iii) can be achieved after the exercise of commercially reasonable efforts, terminate the license or service involving the affected BluBØX Application and refund to Reseller an amount equal to all amounts paid by Reseller to BluBØX as license or subscription fees with respect to the affected BluBØX Application, less an amount equal to depreciation of such license or subscription fees calculated on a three-year straight-line basis from the delivery or commencement date.

- d. **Sole Remedies.** SECTIONS 11(a)-(d) STATE BLUBØX'S ENTIRE LIABILITY, AND RESELLER'S SOLE REMEDIES, FOR INFRINGEMENT OF THIRD-PARTY INTELLECTUAL PROPERTY RIGHTS IN RELATION TO THE PRODUCTS.
- e. **Indemnification by Reseller.** Reseller will indemnify, defend, and hold BluBØX harmless against any and all damages, liabilities, costs and expenses (including, without limitation, reasonable attorneys' fees) suffered or incurred by BluBØX in connection with any third-party suit, action, claim or proceeding arising out of or in connection with: (i) Reseller's failure to comply with applicable laws, rules, or regulations, (ii) Reseller's breach of this Agreement, or (iii) the negligence or intentional misconduct of Reseller or its employees and agents, including, without limitation, faulty installation of Products.

16. Limitation of Liability.

- a. **No Consequential Damages.** UNDER NO CIRCUMSTANCES WILL EITHER PARTY BE LIABLE TO THE OTHER FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, INDIRECT, OR COVER DAMAGES, HOWSOEVER ARISING IN CONNECTION WITH THIS AGREEMENT OR THE USE, OR INABILITY TO USE, ANY PRODUCT, EVEN IF BLUBØX HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.

to such intellectual property, including, without limitation, the BluBØX Marks, oppose any registration thereof, or challenge the validity of this Agreement. Furthermore, Reseller will not register, nor attempt to register, any trade name, trademark, service mark, design or domain name which, in whole or in part, incorporates or is confusingly similar to the BluBØX Marks, without the prior written consent of BluBØX. Nothing contained in this Agreement will constitute or be construed as a transfer of ownership of any of the Intellectual Property Rights of BluBØX or its licensors or to otherwise give Reseller any proprietary rights to any of the Intellectual Property Rights of BluBØX or its licensors. Reseller will have no right, title, or interest in the Products except as expressly set forth in this Agreement.

- b. **Restrictions.** Reseller will not (nor will it permit any third party under its control to): (i) copy or manufacture any BluBØX software, whether installed in the Cloud or locally, or any portion thereof, (ii) translate, modify, adapt, enhance, extend, decompile, disassemble, reverse engineer or otherwise attempt to derive the source code of any BluBØX software, by any means whatsoever, (iii) except as authorized in connection with the BluSKY Monthly License, use BluBØX software and BluSKY in particular to provide any hosting facility management, bureau service, or Software as a Service (SaaS) or otherwise use BluBØX software to process the data of any third party, or (iv) modify, or create Derivative Works based on or including (in whole or in part), the BluBØX software, and BluSKY in particular without written consent of BluBØX.
- c. **Notice of Breach.** Reseller will promptly notify BluBØX of any and all material breaches of any License Agreement that may come to Reseller's attention, and Reseller will assist BluBØX, at BluBØX's expense, in all steps reasonably necessary to terminate any breached license if the breach is not curable or if it is not cured promptly within any applicable cure period.
- d. **Notice of Infringement.** Reseller will promptly notify BluBØX of any actual, threatened or suspected infringement of the BluBØX Marks or BluBØX's other Intellectual Property Rights relating to the Products, as well as any claims or allegations that the Products infringe the rights of any third party.
- e. **Cooperation.** Reseller agrees to use reasonable efforts to protect BluBØX's Intellectual Property Rights and to cooperate in BluBØX's efforts to protect its Intellectual Property Rights. At BluBØX's request, Reseller will execute any instruments requested by BluBØX to perfect BluBØX's or its licensors' ownership rights in the Intellectual Property Rights relating to the Products.

19. Limited Trademark License. BluBØX grants Reseller a non-exclusive, non-transferable license during the Term to use the BluBØX Marks to promote and market the Products in the Territory in accordance with any written visual or usage guidelines provided from time-to-time by BluBØX. Reseller will also have the right during the Term to identify to the public that it is an authorized reseller of the Products.

20. General Provisions.

- a. **Entire Agreement.** This Agreement and its Exhibits constitute the entire arrangement and understanding between the parties and supersede all prior agreements, negotiations and discussions relating to the subject matter of this Agreement, whether written or verbal. Each party acknowledges that in entering into and performing this Agreement it does not do so on the basis of, and does not rely on any statement or representation or warranty or understanding other than as expressly contained in this Agreement at the date hereof or subsequently included within this Agreement pursuant to Section 20(b).
- b. **Amendments and Waivers.** To be valid, amendments and supplements to this Agreement must be made in writing and signed by both parties. In no event will any delay, failure or omission of a party in enforcing, exercising or pursuing any right, claim or remedy under this Agreement be deemed as a waiver thereof, unless such right, claim or remedy has been expressly waived in writing.
- c. **Notices.** Except as otherwise specifically set forth herein, all notices and other communications given or made pursuant to this Agreement will be in writing and will be deemed effectively delivered: (i) if sent by certified or registered mail, on the date received, (ii) if sent by a nationally recognized overnight courier, on the date delivered, and (iii) if sent by e-mail on the date of confirmed electronic transmission. All notices and communications will be sent to the respective parties in accordance with the contact information set out on the signature page of this Agreement. Either party may change its contact information by delivering written notice to the other party in the manner provided above.
- d. **Force Majeure.** BluBØX will have no liability under this Agreement to the extent that it is delayed, prevented, or hindered in performing any of its obligations under this Agreement because of a Force Majeure Event. Notwithstanding the foregoing, Reseller may terminate this Agreement effective immediately upon delivery of written notice to BluBØX if the period that BluBØX is delayed, prevented or hindered from performing its obligations because of a Force Majeure Event is for more than three (3) months.
- e. **Headings.** Headings are used in this Agreement for convenience only and will not affect any construction or interpretation of this Agreement.
- f. **Partial Invalidity.** If any provision of this Agreement or the application of it will be declared or deemed void, invalid or unenforceable in whole or in part for any reason, the parties will amend this Agreement in order to give effect to, so far as is possible, the intent of this Agreement. If the parties fail to amend this Agreement, the provision, which is void, invalid or unenforceable, will be deemed deleted and the remaining provisions of this Agreement will continue in full force and effect.
- g. **Governing Law; Venue; Jurisdiction.** This Agreement is deemed to be made under and shall be interpreted in accordance with the laws of the Commonwealth of Massachusetts excluding its conflict of law's provisions. The parties hereby submit to the jurisdiction and venue of the state and federal courts of Suffolk County, Massachusetts for purposes of all legal proceedings arising

out of or relating to this Agreement. The Parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

- h. **Assignment.** Reseller may not assign this Agreement or its rights and obligations hereunder, either in whole or in part, without the prior written consent of BluBØX; provided, however, that Reseller may assign its rights under this Agreement in whole to a successor in interest in the event of a sale of all or substantially all of Reseller's assets; provided further that if any such proposed successor is (a) in BluBØX's sole discretion, a competitor of BluBØX, or (ii) an entity with which BluBØX has had a Reseller, dealer or other channel partner relationship within the past two years, the provisions of Section 20 (i) will apply as if the asset sale were a "Transfer". Any attempted assignment or delegation by Reseller in violation of this will be null and void and will constitute a material breach of this Agreement.
- i. **Change of Control.** Reseller will comply with the following procedure in the event of a transfer, conveyance or other change in control and/or majority ownership of Reseller (a "Transfer"), including, but not limited to, all Transfers requiring a change in Reseller's federal income tax employer's identification number:
 - i. Not less than thirty (30) days prior to the closing or other effective date of the Transfer, Reseller will give BluBØX notice of the Transfer. The notice will include a detailed explanation of the circumstances surrounding, and reasons for, the Transfer.
 - ii. In the event that the Transfer is to any competitor of BluBØX (as determined in the reasonable discretion of BluBØX) or to any former reseller, dealer or other partner of BluBØX, BluBØX may elect, within sixty (60) days of the earlier of: (1) the date of receipt of Reseller's notice of such Transfer, or (2) the effective date of the Transfer, to terminate this Agreement by delivering a written notice of termination to Reseller specifying the date of termination.
- j. **BluBØX's rights to terminate this Agreement as set forth in this Section are in addition to those set forth elsewhere in this Agreement.**
- k. **UCITA.** THE PARTIES AGREE THAT THE UNIFORM COMPUTER TRANSACTIONS ACT OR ANY VERSION THEREOF, ADOPTED BY ANY STATE, IN ANY FORM ("UCITA"), WILL NOT APPLY TO THIS AGREEMENT. TO THE EXTENT THAT UCITA IS APPLICABLE, THE PARTIES AGREE TO OPT OUT OF THE APPLICABILITY OF UCITA PURSUANT TO THE OPT-OUT PROVISION(S) CONTAINED THEREIN.
- l. **Waiver of Jury Trial.** The Parties expressly waive any right to a jury trial regarding disputes related to this Agreement.

- m. **No Publicity.** Reseller may not issue any press release announcing Reseller's relationship with BluBØX without the prior written consent of BluBØX. BluBØX may not issue any press release announcing Reseller's relationship with BluBØX without the prior written consent of Reseller.
- n. **Government Contracts.** Reseller may not resell any of the Products to the United States federal government, any federal agency, any state or local government, any state or local government agency, or government-affiliated institution without BluBØX's prior written consent, and in each case shall be subject to such additional terms and conditions as may be required by BluBØX in its sole discretion.
- o. **Counterparts.** This Agreement may be executed simultaneously in two or more counterparts, each of which will be considered an original, but all of which, taken together, will constitute one and the same instrument. The exchange of a fully executed Agreement (counterparts or otherwise) by electronic means will be sufficient to bind the parties to the terms and conditions of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Reseller Agreement to be signed by their duly authorized representatives as of the Effective Date.

SIGNATURE PAGE FOLLOWS

Mike N. Araujo, CFO
BluBOX Security, Inc.

AND:

Reseller Company

Signature

Name

Title

Date of Signature / Effective Date of Agreement

PLEASE BE SURE TO FILL-IN THE INFORMATION BELOW:

Primary Contact Name:

E-Mail Address:

Phone #:

Landline:

Accounting / Bill to Contact Name:

E-Mail Address:

Phone #:

Landline:

EXHIBIT A

DEFINED TERMS

The following terms are used in the Agreement and will have the following meanings:

“BluBØX Website” means the BluBØX-hosted website for use by the public, Resellers, and End-Users to learn about BluBØX and its products, as the same may be modified by BluBØX from time-to-time.

“BluBØX Hardware” means the hardware, equipment, parts, components, and accessories that are proprietary to BluBØX, as set forth in Exhibit B, and as may be amended by BluBØX from time-to-time.

“BluBØX Marks” means the trademarks, service marks, trade names, logos, designs, or slogans used by BluBØX to identify the Products, whether specifically recognized, registered or perfected under the laws in the Territory.

“BluBØX Servers” means the computer servers located in Microsoft Azure TM that host and operate the BluBØX Applications, BluBØX Web Site, and User Interface.

“BluBØX Technology” means, collectively, the applicable BluBØX Applications, BluBØX Web Sites, and User Interface used by BluBØX to provide the Subscription Service(s).

“BluBØX Web Sites” means the Internet web sites that are or will be designed, developed, hosted, operated, and maintained by or on behalf of BluBØX, including BluSKY, BluINFO and BluBUY, that run on the BluBØX Servers and which are currently located at URLs: www.BluBØX.com, <https://knowledge.blub0x.com/>, <https://BluSKY.BluBOX.com> and any additional, successor or replacement web sites.

“BluSKY” means BluBØX’s hosted online software that, integrated with BluBØX hardware, provides the BluBØX integrated security solution.

“BluSKY Monthly License” shall mean a license sold by the Reseller to its End User clients for the use of the BluSKY cloud-based software.

“BluCHIP Hardware” shall mean those devices that have been fabricated by BluBØX, even if they contain one or more non-proprietary components.

"**Commitment Levels**" measure the value of Products to be purchased by Reseller over a period of one (1) year. Commitment levels are listed in [Exhibit B](#), as hereafter amended by the parties from time-to-time.

"**Confidential Information**" means any information disclosed by one party (the "**Disclosing Party**") to the other party (the "**Receiving Party**") in connection with this Agreement which is disclosed in writing, verbally or by inspection and is identified as "confidential" or "proprietary" by the Disclosing Party, or which the Receiving Party should have reason to believe is treated as confidential or proprietary by the Disclosing Party. Any information, in whatever form, disclosed by BluBØX to Reseller that relates to the Products and that is not publicly known is "Confidential Information." Confidential Information does not include information that: (a) enters the public domain through no fault of the Receiving Party, (b) is communicated to the Receiving Party by a third party under no obligation of confidentiality, (c) has been independently developed by the Receiving Party without reference to any Confidential Information of the Disclosing Party, (d) was in the Receiving Party's lawful possession prior to disclosure and had not been obtained either directly or indirectly from the Disclosing Party, or (e) is required to be disclosed by law, provided the Receiving Party has promptly notified the Disclosing Party in writing of such requirement and allowed the Disclosing Party a reasonable time to oppose such requirement.

"**Data Center**" means the Cloud-based facilities used by BluBØX to provide the licensed services.

"**Derivative Works**" has the meaning set forth in the United States Copyright Act.

"**Discount Level**" means the amount of discount from BluBØX's then-current standard list (MSRP) price that is applied to licenses or purchases of Products made by Reseller hereunder. Discount Levels in effect as of the Effective Date are listed in [Exhibit B](#), which may hereafter be amended by the parties from time-to-time.

"**Documentation**" means the then-current user documentation published by BluBØX for the Products in BluINFO or in other electronic form, as the same may be modified by BluBØX from time-to-time.

"**End User**" means any organization or person to whom Reseller has licensed or resold Products for actual use and not for resale in accordance with the terms and conditions of this Agreement. For the avoidance of doubt, the term "End User" does not include other BluBØX resellers or third-party resellers, sub-resellers, or distributors.

"**Excused Downtime**" means any period of unavailability or inoperability caused by a Force Majeure Event.

"**Force Majeure Event**" means any circumstance or occurrence beyond the reasonable control of BluBØX, including, without limitation, acts or omissions by a public authority, acts of God, strikes, blockades, acts of terrorism, riots, storms, earthquakes, explosions, fires, floods, Internet or telecommunications failures/outages/delays, third-party hosting facility failures, denial of service attacks, or other similar occurrences.

“Hardware” means, individually and collectively, the BluBØX Hardware and the Third-Party Hardware sold by BluBOX.

“Intellectual Property Rights” means, collectively, any and all: (a) patents and inventions, (b) trademarks, service marks, trade names, trade dress and logos, (c) copyrights, (d) trade secrets, (e) moral rights, and (f) all other intellectual and industrial property or proprietary rights, in each case, whether now existing or created or arising hereafter, in any jurisdiction world-wide.

“Order Form” means a document pursuant to which Reseller orders Products pursuant to the terms and conditions of this Agreement, and which is executed by the parties, in a form provided by BluBØX from time-to-time.

“Planned Downtime” means any period during which any Subscription Service is unavailable for maintenance, including for updates, enhancements, patches, fixes, or error corrections.

“Products” mean, individually and collectively, the authorized Hardware, Services, Subscription Service(s), and such other products and services as the parties may mutually agree to add to Exhibit B from time-to-time.

“Product List” means the list of the Products available for sale by BluBØX to Reseller for resale pursuant to the terms and conditions of this Agreement and BluBØX’s respective list (MSRP) prices therefor, as are in effect from time-to-time.

“Purchase Order” means a written purchase order from Reseller in a form acceptable to BluBØX which incorporates by reference the terms and conditions of this Agreement.

“Services” means, individually and collectively, the services specified in Exhibit B, including, without limitation, Professional Services and System Support Services, as hereafter amended by the parties from time-to-time.

“System Support Services” means the maintenance and support services made available by BluBØX, at the prices set forth in the Product List.

“Take-Over” means the act of replacing legacy equipment and software with BluBOX Hardware and software.

“Term” means the time that this Reseller Agreement is in effect, as defined in Section 14. It is not to be confused with the “Term” of a BluSKY License” which means the time that a License Agreement is in effect as defined in Exhibit C: BluSKY License Agreement”.

“Territory” means the geographic areas and/or markets listed in Exhibit B, as hereafter amended by the parties from time-to-time.

“Third-party Hardware” means the third-party hardware, equipment, parts, components, and accessories sold but not manufactured by BluBØX as set forth in the Product List.

“User Interface” means the web page designed, developed, hosted, operated, and maintained by or on behalf of BluBØX on the BluBØX Servers and BluBØX Web Sites.

EXHIBIT B

RESELLER'S AGREEMENT TERMS & CONDITIONS

The Effective Date of this Exhibit B is the date of signature that appears on Page 21 above.

1. Committed number of employees with basic BluBØX Certification that Reseller shall maintain:

- a. Reseller shall ramp-up the number of employees with BluBØX certification as shown in the table below:

STAFFING COMMITMENT TABLE

	Period 1 (to end of current Year)	Year 2	Year 3
# of Sales Persons			
# of Technical Staff			

- b. The actual number of certified staff on-hand will be reviewed and adjusted annually when this Agreement comes up for renewal.

2. Reseller Staff Training and Certification

- a. BluBØX shall offer several levels of certification for Resellers' Sales Executives and Technical Staff.
- b. Certifications are for individuals and cannot be transferred from one to the other. Certifications follow individuals, wherever they are employed.
- c. Resellers may obtain training and certification for their authorized sub-contractors through the regular BluBØX training and certification program.
- d. BluBØX's training consists of on-line "Instructor-led" courses only at this time. As the training function gathers experience and momentum, BluBØX will institute an on-line self-training option.
- e. Training can also be delivered "On-Premises" for a fee and via special arrangements.
- f. Sales Executives must attend the Sales training courses and the Technical staff will attend the technical courses – (the courses are different).
- i. **Sales training** is expected to consume 8 hours. It will be delivered in 2-hour modules. Sales Executives who have attended all the Sales modules shall receive Basic Certification. Later, BluBØX may propose advanced training courses on designated topics of interest (such as Destination Control or Real-time Control).

- ii. **Technical training** is expected to consume 16 hours. Each class will cover all the modules. Each module will take 1 to 3 hours. Some classes may be delivered over a period of 4 days (4 hours per day); others may consist of just two (2) full days. Technical Staff must subscribe to a certain class and cannot jump from one to the other. Technical Staff who have attended all the Basic Technical Training Modules shall receive a Basic Certification. Later, BluBØX will schedule advanced training courses on designated topics of interest (such as Destination Control or Real-time Control). Completion of these courses shall earn the related Advanced Certification.
- g. The schedule for the training courses will be published in a calendar that will be made available to all Resellers. Resellers must register their staff to take the courses. The number of seats per course is limited: reservations shall be on a first-come / first-served basis.
- h. Some Sales classes may sometimes be dedicated to a particular Reseller's Sales staff, others may combine Resellers. Reseller needs to advise a preference when the class is being booked.
- i. **Initial training courses** shall be provided free of charge for up to ten (10) people so long as they attend no more than 120 days after the effective date of this Agreement.
- j. **Additional training** for people beyond the above referenced ten (10), or to cover advanced topics shall be delivered on a fee basis per the then-current BluBØX Price List.
- k. **On-Premises courses** must be arranged with BluBØX Professional Services. They shall be delivered on a fee basis per the then-current BluBØX Price List plus travel and expenses for the instructor.
- l. **BluBØX Sales Certifications** shall be automatically delivered to all Salespeople who complete the Sales training course.
- m. **BluBØX Basic Technical Certifications** shall initially be provided free-of-charge to all Reseller's technical staff who complete the full Basic Technical training course stream.
- n. When the On-Line Certification Program comes live, Technical Staff will have to take a Certification Exam to achieve certification. The exam will be made available free of charge to Reseller's Technical staff who have just completed a he full Basic Technical training course stream.
- o. **Certification Renewals:** All certifications are valid for one (1) year. Individuals wishing to renew their BluBØX certification may go straight to the on-line certification exam or take the appropriate courses to receive refresher and updated information. The certification exams and the refresher courses shall be provided for a fee as shown in the BluBØX Price List.

3. Demonstration Materials

- a. **BluBØX Demo Databases**
 - i. Upon execution of this Agreement, BluBØX will make log-in credentials available to the Reseller that access the BluSKY demo databases. These databases are for general use and must be kept pristine. But they offer a quick path to support customer demos.
- b. **Reseller Account:** Upon execution of this agreement, BluBØX will create the Reseller's "Integrator Account". This account gives access to the Integrator's own BluSKY environment where wholly owned demo databases can be created. This environment will also support all the Reseller's clients.

4. Approved Territories

- a. Reseller is generally authorized to sell BluBØX products within the United States and its territories.
- b. The designated Territories are shown below:

APPROVED TERRITORIES TABLE

	Reseller's Initials	Approved Territory	Office Address or other significant presence
1			
2			
3			
4			
5			

Minimally, Reseller must have an office or other form of significant presence in the designated Territories.

5. Authorized Products:

- a. The Reseller is authorized to re-sell the following BluBØX products:
 - License for use of BluSKY Software
 - Third Party Hardware
 - Associated Technical Services
 - BluCHIP Hardware
 - Replacement Parts

6. Annual Purchase Commitment and Discounts

- a. During the Term of this Agreement, Reseller and BluBØX shall agree by the last day of the current year on the next year’s Purchase Commitment level.
- b. The size of the commitment made will determine the Reseller Class as shown in the Table below:
- c. The commitment levels shall include all so-called “one-time” items, exclusive of recurring revenue, and shall be calculated on the basis of the Reseller’s discounted prices.
- d. The discount levels for each Reseller Class and each category of product are shown in the Table below. The discount levels are applied to BluBØX’s then-current published MSRP Prices thus yielding the Reseller’s purchase price for each product.

RESELLER CLASS TABLE

Initial Selected Class	RESELLER CLASS	Annual Purchase Commitment	A Level Product	B Level Product	C- Level Product
	Elite +	500K or more	45%	30%	20%
	Elite	\$350K or more	42%	25%	15%
X	Premier	\$200K or more	35%	20%	12%
	Certified	\$50K or more	28%	15%	10%
	Partner	N/A	15%	15%	10%

In addition, certain parts that are widely available from other sources and normally sold at low margins are available from BluBØX for the Reseller’s convenience and classified as U-10, U-15, U-20, and U-25. Such parts are sold at 10%, 15%, 20% and 25% discounts respectively or at the C-level discount, whichever is smaller.

Partner Program - *This is a special program intended to support smaller integrators or deal with special projects where a higher level of BluBØX participation is needed. Under the program, BluBØX will produce the system design and associated end-user quotation in close cooperation with Reseller’s Sales staff. BluBØX will fully project-manage the installation of the BluBØX system(s) and Reseller will provide needed on-site staff.*

7. First Year Sales Volume and Discount Levels will be managed as follows:

- a. **Initial Period:** During the period from the date of this Agreement until the end of the current calendar year, unless agreed otherwise, the Reseller shall be established as a “Premier Reseller”.
- b. **The Reseller’s anticipated actual volume** shall be the proposed Annual Volume pro-rated to the number of days between the Effective date of this Agreement and December 31st - less 3 months (for start-up).

Example: Effective date = 4/5/2015. Add 3 months = 7/5/2015. Days to the end of the year = 179 days. Percent = $179/365 = 49\%$. “Pro Rata Premier” = $\$200K \times 49\% = \underline{\$98K}$ commitment.

- c. **Follow-on Periods:** For each succeeding year thereafter, the Reseller's Classification will be established based on the prior period’s actual purchases. Achievement of sales quotas is material to this agreement.

SIGNATURES ON NEXT PAGE

SIGNATURES

The signatures below indicate that the parties' agreement to this Exhibit B of this Reseller Agreement. The signatories confirm that they are duly authorized by their companies to engage their companies per the terms of this Exhibit B.

Mike N. Araujo, CFO
BluBOX Security, Inc.

AND:

Reseller Company

Signature

Name

Title

Date of Signature / Effective Date of Exhibit

END OF EXHIBIT B

EXHIBIT C

BluSKY LICENSE AGREEMENT

The Effective Date of this Exhibit C is the date of signature that appears on Page 21 above.

Reseller will sell BluSKY licenses to its new End-User clients.

1. Definitions:

An “Active” Record is one that exists in the BluSKY databases and has not been marked as deleted. Note that records are never really deleted in the databases: they are hidden. No license fee is due for records that have been “deleted” in this way. Deleted records are held for reporting and historical purposes, but they can also be “undeleted”, in which case they become Active again.

A “Facility” in BluSKY is a designated property that is serviced by a BluSKY system. A “Facility” might be a building (in the case of a base-building system) or a tenant company office space inside a building (in the case of a system that serves the specific office space).

A “Feature” designates a specific capability of the BluSKY system that is subject to a monthly license fee.

A License Fee” is the monthly fee that is levied on a licensable Feature when it is in use at a Facility. License fees are levied on Facilities. In most cases, there is only one Facility per BluSKY System, but some Systems can support more than one Facility.

2. User License Agreements – Any person who is a user of BluSKY is subject to a User License Agreement. There are two forms of User License Agreements:

a) The “Sponsor’s User License Agreement” (SULA)

- i) Must be signed by an executive of every End User Customer who is the paying sponsor of the system. The person who signs on behalf of the sponsor must have proper signing authority.
- ii) The best practice is to include the SULA with the quotation to the Customer and request that a signed copy be returned with the Customer’s Purchase Order.
- iii) Reseller must cause the SULA to be signed before Reseller creates a record for this customer in the BluSKY databases.

- iv) Reseller must forward a copy of the signed SULA to BluBØX immediately after it is signed.
 - v) One SULA may cover all Facilities or Systems that are installed by Reseller for the specific End User Customer.
- b) **The “End User License Agreement” (EULA):**
- i) All Users of the BluSKY databases must click-acknowledge the EULA when they first access the BluSKY databases. BluSKY will maintain appropriate evidence of each User’s acceptance of the EULA.
 - ii) The EULA is permanent and covers any usage of BluSKY by the signatory in perpetuity.

3. Term of the Sponsor User License Agreement” (SULA)

The SULA is evergreen. It is valid over consecutive 12-month Terms. However, it can be cancelled at any time. The sole purpose of the Terms is to provide customers with license fee stability over the Terms explained below.

- a) The Initial Term of the SULA covers twelve (12) monthly invoices.
- b) The first monthly invoice for a Facility shall be rendered for the month in which the Facility record was first created in BluSKY. It shall include the applicable Platform License and fees for any licensable item that was activated during that month. Monthly Invoices shall then continue monthly, reflecting all the features that were active in the covered month.
- c) The monthly license fee for each item shall remain fixed during the Term. Obviously, the number of active features may change month-to-month, and so shall the overall license fees due, but the per-feature license fees shall remain fixed for the Term. This provides customers with fixed pricing for the entire duration of the Term.
- d) The billing for an Active item License can be terminated at any time during the Term by deleting the underlying record in BluSKY.

4. Renewal of the SULA – New Term

- a) The SULA shall renew automatically at the end of the Initial Term, or any subsequent Term, for a new Term of 12 billing cycles.
- b) The per-feature License Fees that shall be billed during a new Term shall be fixed, and shall be the fees that are published in the version of BluBØX’s Recurring Licenses Price List that is current when the new Term begins.
- c) The billing for an Active Feature License can be terminated at any time during the Term by deleting the underlying record in BluSKY.

5. License Fees: Several items in the BluSKY databases are the basis for the recurring monthly license fees that are charged in return for the customer’s use of BluSKY.

- a) **Scope of the License Fees:** License fees are charged per “Facility”. Each Facility is defined in the BluSKY databases by way of a “Facility” record. Most often, a Facility record defines a building.
- b) **User-based License Fees** are based on the number of active user records that exist in the Facility’s databases on the last day of the month being billed. Examples of User-based Licenses: The Hosted Platform License or the Visitor Management License.
- c) **Device-based License Fees** are based on the number of active device records that exist in the Facility’s databases on the last day of the month being billed irrespective of the date the devices were installed. Examples of Device-based Licenses: The Card Reader Licenses or the Camera Licenses.

Definition of “Active”: a device is “Active” in the databases if the record exists and has not been marked as “deleted”.

Definition of “Deleted” or “Inactive” Records: Records are never really deleted in BluSKY: when deleted, they are actually kept in the databases and only marked as deleted. The act of deleting a record in the databases causes the record to become “inactive”.

- d) **Application-based License Fees** are based upon whether the application was active in the system that serves the Facility during the month being billed. Application licenses are billed if the application was active at any time during the month. Examples of Application-based Licenses: Alarm Notification via SMS or e-Mail; Elevator Destination Dispatch; Single Sign-On.

6. Additional Licenses

- a) Reseller may sell additional Licenses for an existing Facility at any time. The end of the Term for these licenses shall be the same as the end of the Term for all the Facility’s existing licenses.
- b) Reseller may sell additional Hardware components for an existing Facility. If the addition of such hardware components entails additional Licenses, the definition of such additional Hardware components in the BluSKY databases shall constitute authority for BluBØX to bill the associated License fees, and the end of the Term for these licenses shall be the same as the end of the Term for all the Facility’s existing licenses.

7. Monthly Invoicing

- a) BluBØX will invoice Reseller the License Fees for each of Reseller's Facilities per the terms of Sections 2 through 6 of the BluBOX Reseller Agreement. Each invoice will include all the individual item Licenses that pertain to the Facility, based on the previous month's "usage" of the features.

8. Cancellation of a License

- a) The Reseller or the End-User Client (depending on permissions) can cancel a License at any time.
- b) In most cases, the cancellation can be accomplished by simply deleting the underlying record(s) in the BluSKY databases.
- c) The cancellation of some licenses may require BluBØX Professional Services. If this is the case, Reseller must give BluBØX thirty (30) days' written notice of the desired cancellation so BluBØX has the time to schedule and perform the applicable work.
- d) Where cancellation notices are required, BluBØX will acknowledge Resellers' notices promptly, but it is Reseller's responsibility to ensure that BluBØX has acknowledged their notices. Unacknowledged notices shall not become effective, and the cancellation shall be subject to a new notice (and a new date).
- e) The invoice that covers the month in which the cancellation has occurred will reflect the cancellation per the Usage policy described in Section 5 above.
- f) All licenses will continue to be billed until the underlying records have been made inactive in the BluSKY databases.

9. Account Suspension / Account Termination

There are differences between the suspension and the termination of an account.

a) **SUSPENSION:**

The usual case is when Reseller's end-user customer is failing to pay.

- i) Reseller may request the suspension of a client end-user's use of the BluSKY Services at a designated Facility at any time.
- ii) Reseller must provide a Request for Suspension in writing that indicates the Customer Name, the Facility to be suspended, the reason for the suspension, the desired date of suspension, and the severity level.
- iii) A Suspension can occur in two levels of severity:

- The first level is the partial suspension of the BluSKY Services by disabling the communication between the local controllers or video recorders and BluSKY. So the local system still functions but no adds/edits or deletes are possible.
 - The second level wipes the local controllers clean and all logins to BluSKY are disabled. Local video is left intact. Since the databases are not wiped out, the system can be restored – but Professional Services will apply.
- iv) In response, BluBØX will:
- Implement the suspension as close to the requested date as possible and confirm the suspension to Reseller, and
 - Reduce by 50% the monthly billings to Reseller that pertain to the suspended Facility for a period of two (2) months, starting with the month that follows the date the notification was received by BluBOX.
- v) Thereafter, BluBØX shall have the right at its own discretion to resume full billing or Terminate the account.

b) TERMINATION

The usual case is when a Reseller’s end-user customer is moving away from the protected Facility or wishes to cancel BluSKY services all together.

- i) Reseller must provide a written *Request for Termination* of an account in writing that indicates the reason for the termination, the Facility being terminated, and the desired date of termination.
- ii) BluBOX will acknowledge the request, but it is Reseller’s responsibility to ensure receipt of such acknowledgment. Absent an Acknowledgment form BluBOX, the termination may not be processed as indicated below, and a new Request for Termination will have to be issued that will be subject to the processing delays and billing provisions indicated below.
- iii) In response to a Request for Termination, BluBØX will:
- i) Terminate the BluSKY services as close to the desired date as possible (but in no case before that date) by actually deleting the system / Facility / Controllers / Occupancy / Personnel and other features from BluSKY.
 - ii) Discontinue billing: the last day billed shall be the last day of the month following the date of notice of termination from the client. Additionally, Professional Services may apply.

iii) The final billing shall be as follows:

- **If the billing was being conducted on a negotiated amount basis**, the final billing shall be equal to the previous month's billing.
- **If the billing was being conducted on the actual usage basis**, the final billing shall be equal to the final month's actual usage.

This policy provides BluBØX the time and resources to schedule and effect any data deletion or archiving work that may be needed to implement the termination in the BluSKY website. In cases where the termination involves significant database clean-up work, the necessary Professional Fees shall also be billed.

10. Terms & Prices:

- a) Every Facility system must be covered by a SULA, and every user of the BluSKY databases must have accepted a EULA. The fact of a User logging into BluSKY is considered acceptance of the EULA.
- b) Reseller shall NOT purchase Licenses on a regular Purchase Order. Instead, Licenses shall be invoiced monthly and automatically at the beginning of every month, with each invoice covering the past month's usage as set forth above.
 - i) It is understood that Licenses and Support and any other recurring charge shall be billed automatically without reference to a Reseller Purchase Order. This signed Agreement and License Agreement serves as Reseller's authorization for BluBØX to bill any recurring charge incurred by Reseller or Reseller's end-user clients.
- c) Users may only access and use the Licensed product(s) via the User Interface that is provided by BluBØX.
- d) From time-to-time, BluBØX may modify the terms and prices contained in the Licenses Price List. BluBØX shall maintain a current copy of the Licenses Price List on BluBUY, and Reseller shall keep itself fully up-to-date throughout the Term with respect thereto.
- e) The then-current pricing shall be applied to any invoicing that starts a New Term. That pricing will be maintained for the duration of the Term for all features that are in place at the beginning of the term and all features that are added during the term.

11. Failure to Pay.

- a) BluBØX reserves the right to suspend or cancel a License in the event Reseller fails to pay for such License in accordance with the terms and conditions of the Reseller Agreement.

12. Availability.

- a) BluBØX will make reasonable efforts to make the Licensed product(s) available 24 hours a day, 7 days a week.

- b) Exceptions are: (i) Planned Downtime, and (ii) Excused Downtime.
- c) BluBØX will make reasonable efforts to provide Reseller at least eight (8) hours' notice of Planned Downtime.

13. Planned Downtime.

- a) BluBØX will schedule Planned Downtime outside of regular business hours to the extent reasonably practicable. The signatures below indicate the party's agreement to this Exhibit C of this Reseller Agreement. The signatories confirm that they are duly authorized by their companies to engage their companies per the terms of this Exhibit C.

Mike N. Araujo, CFO
BluBOX Security, Inc.

AND:

Reseller Company

Signature

Name

Title

Date of Signature / Effective Date of Exhibit

END OF EXHIBIT C