

STIEBEL ELTRON**UNITED STATES AUTHORIZED INTERNET RESELLER AGREEMENT**

THIS INTERNET AGREEMENT (the “Agreement”) is made effective the date of its execution (the “Effective Date”), by and between Stiebel Eltron, Inc., with principal offices at 17 West Street, West Hatfield, MA 01088 (“Stiebel Eltron”), and the authorized Internet reseller that has executed this Agreement (“Reseller”). Stiebel Eltron and Reseller are each sometimes referred to herein as a “party” or collectively as the “parties.” The parties agree as follows:

Definitions.

- Products: The (“Product(s)”) shall mean the approved Stiebel Eltron products and related accessories listed in Schedule A.
- Territory: The (“Territory”) shall mean the United States of America.
- End-User: An (“End-User”) shall mean any purchaser of the Product(s) from the Reseller who is the ultimate consumer for whom the Product is designed and who does not intend to resell the Product(s) to a third-party.
- Installation Professional: An (“Installation Professional”) shall mean a purchaser of the Products that will be installing or causing the Product(s) to be installed for an End-User.
- Licensed IP: The (“Licensed IP”) shall mean the trademarks, tradenames, product images, and/or marketing banners provided by Stiebel Eltron in writing in the approved image or form provided by Stiebel Eltron.
- Transship: (“Transship”) shall mean the sale of Product(s) to any entity other than an End-User or an Installation Professional.
- Term: The (“Term”) of this Agreement shall begin on the Effective Date and, unless sooner terminated as provided herein, continue in full force and effect for one (1) year from the Effective Date. This Agreement will automatically renew for consecutive one (1) year Terms thereafter.

1. Internet Appointment. Stiebel Eltron grants to the Reseller and the Reseller accepts the non-exclusive right to fulfill orders and to market, sell, and distribute the Products to End-Users and Installation Professionals located in the Territory only in brick and mortar locations and on the Internet URL locations listed in the then-current Internet Reseller Profile attached hereto as Schedule B and approved by Stiebel Eltron.

2. Third-Party Internet Marketplaces. Reseller, *ONLY if listed and approved by Stiebel Eltron in Schedule B*, shall be allowed to sell or advertise Products on certain approved third-party Internet marketplaces under certain approved names.

3. Transshipping. Reseller shall not knowingly transship the Products. Specifically, Reseller shall not sell or transfer any of the Products to any person or entity for resale other than installation professionals for install. Reseller agrees to restrict, cease, or limit the sale of Products to anyone at the request of Stiebel Eltron. Reseller shall not sell or offer for sale any product bearing a trademark, copyright, patent, or name associated with Stiebel Eltron that Reseller purchased or obtained from a source other than directly from Stiebel Eltron or a Stiebel Eltron Authorized Distributor. Reseller shall not obscure or alter any Product or its packaging in any fashion.

4. Geographic Sales Boundary. Reseller may only sell and advertise for sale the Products within the Territory. Stiebel Eltron hereby expressly prohibits the Reseller from soliciting or consummating sales outside the Territory without written permission from Stiebel Eltron.

5. Commingled Inventory. Reseller shall not cause or allow the Products to be sold anywhere or in any manner, including a third-party Internet marketplace, where the Reseller is unable to certify that all Products purchased from Reseller are fulfilled with Products that the Reseller purchased from Stiebel Eltron or a Stiebel Eltron Authorized Distributor.

6. Sales by Auction. Sales by the Reseller of Product(s) by way of online auction are prohibited.
7. Liquidated Damages. For each occasion that Reseller breaches Sections 1, 2, 3, 4, 5, or 6 of this Agreement by engaging in the unauthorized sale of Products, in addition to all other remedies available to Stiebel Eltron under this Agreement and at law, Reseller agrees to pay Stiebel Eltron, as liquidated damages and not as a penalty, the greater of the following amounts: (i) the costs and fees associated with Stiebel Eltron's investigation and enforcement regarding the unauthorized sales, including, but not limited to, attorney's fees; or (ii) five times (5x) the MSRP of the Product(s) per unit of Product. The parties agree that these damages are not punitive.
8. Intellectual Property and Website Content. Reseller is granted a limited, non-exclusive, non-transferable, revocable license to use the Licensed IP for the sole purpose of advertising and promoting the sale of Products to End-Users and Installation Professionals within the Territory, subject to the restrictions and limitations described in Schedule C of this Agreement.
9. Reseller Obligations. During the Term of this Agreement, Reseller shall:
 - a. promote, market, and sell the Products;
 - b. maintain qualified personnel with knowledge of the specifications, features, and use of the Products;
 - c. provide quality post-sale return support for all customers, including End-Users and Install Professionals that purchase the Products;
 - d. agree to restrict, cease, or limit sales to any customer at the request of Stiebel Eltron;
 - e. preserve the reputation and goodwill of Stiebel Eltron and the Products and avoid any illegal or unethical actions, including, but not limited to, "bait and switch" practices;
 - f. comply with all quality control standards, including, but not limited to, advertising, storage, and shipping requirements, as announced from time to time by Stiebel Eltron;
 - g. only use the current Licensed IP in association with the Products, unless Reseller obtains written permission from Stiebel Eltron;
 - h. conduct and maintain at all times its operation in compliance with all applicable federal and state laws and regulations, FTC consent orders, county and city ordinances and regulations, and any other applicable law, regulation, or ordinance. Reseller agrees not to engage in any unfair trade practices. Reseller shall indemnify and hold Stiebel Eltron harmless from any cost or liability, including costs of litigation and attorney's fees as may be incurred in defending any civil, criminal, or administrative action brought against Stiebel Eltron or its officers, employees, or agents that may result from a violation of this paragraph;
 - i. operate a physical street address and a landline telephone number for contact by its customers and must advise customers of this physical address and the landline telephone number. Post office boxes and mobile telephone numbers are not sufficient; and
 - j. comply with additional terms of sale as otherwise provided by Stiebel Eltron and as such terms may change from time to time by Stiebel Eltron in its sole discretion.
10. Breach. Any violations of the terms of this Agreement shall be deemed a breach of the Agreement, entitling Stiebel Eltron to terminate the Agreement immediately or take any other action allowed under the law.
11. Termination. This Agreement may be terminated as follows:
 - a. by Stiebel Eltron immediately upon notice to Reseller in the event of a breach of any of the terms of this Agreement; or
 - b. by Stiebel Eltron or Reseller, without cause or liability, upon thirty (30) days' prior written notice to the other party.

12. Obligations Upon Expiration/Termination.

- a. Authorization. Upon expiration or termination of this Agreement for any reason, Reseller will no longer be an authorized Internet reseller of Stiebel Eltron Products. Reseller shall immediately cease to purchase, advertise, and/or sell Stiebel Eltron products; cease to represent itself as an authorized reseller of Stiebel Eltron products; cease all use of Stiebel Eltron's intellectual property, and return to Stiebel Eltron all advertising, promotional, display, and other materials that have been furnished to Reseller by Stiebel Eltron. Reseller agrees to immediately remove any and all Internet listings of Stiebel Eltron products.
- b. Repurchase Option. Within ten (10) days of termination of this Agreement for any reason, Reseller agrees to provide Stiebel Eltron with a list of its inventory of the Products. Stiebel Eltron, at its option, will have the right to repurchase from Reseller any or all saleable Products in Reseller's inventory by sending written notice of the exercise of such option within thirty (30) days from the effective date of expiration or termination or the date Stiebel Eltron receives the foregoing list, whichever last occurs. The purchase price of such Products will be at the net invoice prices at which the Products were originally purchased by Reseller, less any discounts or allowances that Stiebel Eltron may have given Reseller on account of such Products. If such option to repurchase is exercised by Stiebel Eltron, Reseller agrees, at Reseller's expense, to deliver Reseller's inventory of the Products to Stiebel Eltron in their original packages within thirty (30) days of receipt of Stiebel Eltron's notice of exercise. If such option to repurchase is not exercised by Stiebel Eltron, Reseller is prohibited from reselling its remaining inventory of the Products on the Internet.

13. Unilateral Policy. Reseller acknowledges that Reseller has been informed of Stiebel Eltron's Unilateral Policy as it applies to the advertisement for sale of Stiebel Eltron Products from resellers to End-Users and Installation Professionals in the United States. There is no agreement, express or implied, between Stiebel Eltron and Reseller with respect to the advertised or resale pricing of Products. If any director, officer, employee, representative, or other agent of Stiebel Eltron tries to coerce Reseller to agree to the price at which Reseller advertises or resells Stiebel Eltron Products, such action shall be considered void, unauthorized, and without effect and Reseller shall promptly notify Stiebel Eltron's Unilateral Policy Committee at policy@stiebel-eltron-usa.com.

14. Amendments & Waivers.

- a. Except as otherwise set forth in Section 14(b) of this Agreement, this Agreement may be amended, waived, or modified only by a written instrument signed by an authorized officer of both parties stating specifically that it is an amendment, waiver, or modification. No waiver of any provision at any particular time shall be deemed a permanent waiver of such provision, or a waiver of any other provision of this Agreement. Failure to enforce a provision shall not be deemed a waiver.
- b. Stiebel Eltron may amend any Schedule in this Agreement by providing notice to the Reseller, and any such amendment shall become effective immediately upon delivery of such notice.

15. Entire Agreement. This Agreement, the Schedules, any additional terms and conditions of Stiebel Eltron, Stiebel Eltron's written invoices, and any and all personal guarantees or assurances of payment by Reseller set forth the entire understanding and agreement of the parties, and supersede any and all oral or written agreements or understandings between the parties as to the subject matter of this Agreement.

16. Limitation on Liability. RESELLER ACKNOWLEDGES AND AGREES THAT STIEBEL ELTRON SHALL NOT BE RESPONSIBLE FOR ANY DAMAGES THAT RESELLER MAY INCUR FROM DELAYED SHIPMENT, NON-SHIPMENT, OR PRODUCT SELECTION, WHETHER LIABILITY IS ASSERTED IN CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT PRODUCT LIABILITY), WARRANTY, OR OTHERWISE. IN NO EVENT SHALL STIEBEL ELTRON BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES OF ANY KIND (INCLUDING WITHOUT LIMITATION LOSS OF PROFITS OR LOSS OF USE), WHETHER OR NOT STIEBEL ELTRON SHALL BE OR SHOULD BE AWARE OF THE POSSIBILITY OF SUCH POTENTIAL LOSS OR DAMAGE. THIS SECTION SHALL SURVIVE EXPIRATION OR TERMINATION OF THIS AGREEMENT.

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

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

Reseller: _____ **Stiebel Eltron, Inc.**

Signed by: _____ **Signed by:** _____

Printed name: _____ **Printed name:** _____

Title: _____ **Title:** _____

Date: _____ **Date:** _____

SCHEDULE A
Products**Tankless Electric Water Heaters**

Mini™ Series	<input type="checkbox"/>
Mini™-E Series	<input type="checkbox"/>
DHC Classic Series	<input type="checkbox"/>
DHC Series	<input type="checkbox"/>
DHC-E 8/10	<input type="checkbox"/>
DHC-E 12	<input type="checkbox"/>
MegaBoost™	<input type="checkbox"/>
Tempra® 12 Trend	<input type="checkbox"/>
Tempra® 12 Plus	<input type="checkbox"/>
Tempra® 15 Trend	<input type="checkbox"/>
Tempra® 15 Plus	<input type="checkbox"/>
Tempra® 20 Trend	<input type="checkbox"/>
Tempra® 20 Plus	<input type="checkbox"/>
Tempra® 24 Trend	<input type="checkbox"/>
Tempra® 24 Plus	<input type="checkbox"/>
Tempra® 29 Trend	<input type="checkbox"/>
Tempra® 29 Plus	<input type="checkbox"/>
Tempra® 36 Trend	<input type="checkbox"/>
Tempra® 36 Plus	<input type="checkbox"/>

Mini-Tank Electric Water Heaters

SHC 2.5	<input type="checkbox"/>
SHC 4	<input type="checkbox"/>
SHC 6	<input type="checkbox"/>

Wall-Mounted Tank Water Heaters

PSH 20 Plus	<input type="checkbox"/>
PSH 30 Plus	<input type="checkbox"/>

Heat Pump Water Heaters

Accelera® 220 E	<input type="checkbox"/>
Accelera® 300 E	<input type="checkbox"/>

Wall-Mounted Electric Fan Heaters

CK 15 E / CK 20 E	<input type="checkbox"/>
CKT 15 E / CKT 20 E	<input type="checkbox"/>
CK Trend 150-1 / 200-2	<input type="checkbox"/>

Wall-Mounted Convection Heaters

CNS 100-2 E	<input type="checkbox"/>
CNS 150-2 E	<input type="checkbox"/>
CNS 200-2 E	<input type="checkbox"/>
CNS 240-2 E	<input type="checkbox"/>
CNS 100-1 E	<input type="checkbox"/>
CNS 150-1 E	<input type="checkbox"/>

Wall-Mounted Infrared Heaters

CIR 150-1 I	<input type="checkbox"/>
CIR 150-1 O	<input type="checkbox"/>
CIR 200-2 O	<input type="checkbox"/>
CIR 400-2 O	<input type="checkbox"/>

Electric Hand Dryers

Galaxy™ 1 / Galaxy 2	<input type="checkbox"/>
Galaxy™ M 1 / M 2	<input type="checkbox"/>
Galaxy™ M 1 / M 2 Metallic Finish	<input type="checkbox"/>
Ultronic™ 1 W / Ultronic 2 W	<input type="checkbox"/>
Ultronic™ 1 S / Ultronic 2 S	<input type="checkbox"/>

SCHEDULE B
URLs and/or Internet Marketplace and Seller ID

Internet URL or Marketplace/ Seller Name ID	Approved by Stiebel Eltron
	<input type="checkbox"/>
	<input type="checkbox"/>
	<input type="checkbox"/>

SCHEDULE C**Intellectual Property Restrictions****A. General**

1. Reseller shall ensure that the Licensed IP is:
 - a. used in conjunction with the ® or TM designations as directed by Stiebel Eltron;
 - b. not modified in any manner without the prior written consent of Stiebel Eltron;
 - c. used alone without any other terms, marks, or designs which may detract from the Licensed IP; and
 - d. displayed according to specifications which Stiebel Eltron may provide or amend from time to time.
2. Reseller shall perform all acts requested by Stiebel Eltron to ensure that the nature and quality of Reseller's use of the Licensed IP is consistent with and does not detract from the goodwill associated with the Licensed IP. Reseller is specifically prohibited from registering or using any domain name containing any Stiebel Eltron owned or licensed brand names or any other trademark used or owned by Stiebel Eltron.
3. Reseller shall have no right, title, or interest in the Licensed IP. All use of the Licensed IP and the goodwill associated therewith shall inure to the benefit of Stiebel Eltron. Reseller shall not do anything inconsistent with Stiebel Eltron's ownership of the Licensed IP, including, but not limited to, using, causing, or permitting another party to use the Licensed IP as any part of a uniform resource locator ("URL"), metadata tag, or as a keyword or search engine term. Reseller shall not, during the Term or thereafter, challenge the validity of the Licensed IP or Stiebel Eltron's title to or rights in the Licensed IP.
4. Reseller shall not use the Licensed IP in a manner that disparages Stiebel Eltron or the Products, blurs, dilutes, or otherwise diminishes the Licensed IP, or portrays Stiebel Eltron, its brands, or the Products in a false or poor light.
5. Upon termination of this Agreement, Reseller shall immediately discontinue and abandon its use of the Licensed IP, shall cease to advertise or represent itself as an authorized reseller, and shall cease to market, advertise, offer to sell, and/or sell the Products. Reseller must promptly return to Stiebel Eltron all confidential information, including, but not limited to, all documents and information concerning prices, marketing, advertising, and promotional activities (the "Confidential Information").
6. Reseller shall promptly inform Stiebel Eltron of any action or conduct of any person which may infringe upon any of Stiebel Eltron's intellectual property rights. Reseller shall cooperate fully with Stiebel Eltron in connection with any legal action taken by Stiebel Eltron in connection with any such infringement.

B. URLs/ Domains

Reseller's domain(s) and URL(s) must not contain the word "Stiebel Eltron" or any current or future trademarks or brands of Stiebel Eltron, including any variation or combination of these words or trademarks with each other or with other words. Examples of prohibited domain names and URLs:

www.joesstiebeltronheadquarters.com

www.joesstiebeltronshop.net

Exception: Trademarks authorized by Stiebel Eltron for online use by Reseller (the "Authorized Marks") may appear in the text to the right of the top level domain name. For example:

Allowed: www.joesshop.com/stiebeltron.htm

Prohibited: www.joesshop.stiebeltron.com/stiebeltron.htm

C. Website Content and Online Advertisements

1. Reseller must not suggest or imply that its website, advertisement, sponsored link, or any other online marketing used or paid for by Reseller is in any way related to the official Stiebel Eltron website or any of its brands' websites that are owned and operated by Stiebel Eltron.

Examples of Prohibited Phrases: Terms such as “Official Stiebel Eltron Headquarters,” “Stiebel Eltron Home,” “Stiebel Eltron Official Store,” and “StiebelEltron.com” are always prohibited. Terms such as “Stiebel Eltron Headquarters,” “Stiebel Eltron,” “Stiebel Eltron Depot,” or “Stiebel Eltron Store” are prohibited except when clearly and conspicuously associated with Reseller (e.g., “Stiebel Eltron Store at Joe’s Shop,” or “Joe’s Authorized Stiebel Eltron Shop”) and only if approved in advance and in writing by Stiebel Eltron.

2. Reseller may not use Google AdWords’ Dynamic Keyword Insertion or any similar search tool when bidding on any Authorized Marks or any trademark used or owned by Stiebel Eltron. All Authorized Marks in the Reseller’s ad text must appear with the correct spelling and capitalization.

3. Reseller must not use superlatives to describe the quantity of inventory, the pricing of Products, or the online shopping experience, on any website, in any advertisement, sponsored link, or any other on-line marketing used, paid for, or associated with Reseller.

Examples of Prohibited Phrases: Phrases such as “largest available online offering of Stiebel Eltron,” “lowest prices – Stiebel Eltron,” or “best Stiebel Eltron website” are prohibited.

4. Reseller must accurately describe Products using the Authorized Marks. The Authorized Marks must always be followed by the generic word for the Product, such as “Stiebel Eltron® products.” They must never be used in the possessive or in the plural. The Authorized Marks must always be displayed in a way that distinguishes them from other surrounding words, e.g., by appearing in initial caps or full caps, such as Stiebel Eltron and used in conjunction with the ® or ™ designation as directed by Stiebel Eltron.

5. Reseller must use only those Product images, logos, marketing banners, and video clips provided or authorized in writing by Stiebel Eltron within the two (2) most recent calendar years (“Authorized Images”) on any website, advertisement, sponsored link, or any other on-line marketing used, paid for, or associated with Reseller.

6. Reseller must not partner with any third-party that uses adware, spyware, or other software to engage in pop-up or pop-under advertising and/or generating non-user initiated activity (e.g., forced clicks or redirects). Pop-up or pop-under advertising and/or non-user initiated activity that is based on keyword searches, textual triggers, or screen-scraping associated with any trademark used or owned by Stiebel Eltron or any common misspelling or confusingly similar trademarks is strictly prohibited.