



Hozhoni Balance Rail® Reseller Terms and Conditions

The parties recite and declare:

- A. Principal conducts a manufacturing business described as follows: Hozhoni Balance Rail®.
- B. Principal desires to arrange for the sale and distribution of its merchandise.
- C. Reseller has agreed to undertake the marketing of principals merchandise on the terms set forth in this agreement.

An approved Reseller, (Dealer) is a wholesale customer of Hozhoni Health Services, LLC (HHS), not an employee, agent, or representative. Nothing in this agreement is intended or shall be construed to create a partnership, joint venture, or any other business arrangement except as described below.

Reseller shall comply with all state and local laws of the state of its domicile (State), including, but not limited to, Workers Compensation, State Income Tax, Sales Tax and employment laws, and agrees to indemnify and hold HHS harmless from any losses, costs, or expenses arising out of Reseller's failure to comply. Reseller shall be responsible for collection and remittance of all taxes due to taxing authorities as a result of the conduct of its business and as a result of its sales of HHS products. HHS reserves the right to request verification of payment of sales taxes on products sold by Reseller.

Reseller shall disclose in all its marketing and sales materials that HHS products are subject to registered trademarks and patents, as applicable. Reseller shall not relabel or repackage HHS products without prior written consent from HHS.

Reseller shall have the non-exclusive right to sell and distribute principals merchandise during the term of this agreement. Reseller shall pay all freight and shipping charges on orders.

Reseller shall have entire charge of the management and operation of [his or her] business; [he or she] shall furnish all equipment and vehicles, and hire and pay the wages of all assistants and employees required for the operation of [his or her] business. HHS reserves no supervision or control over Reseller's in the facilities, employees, and methods to be used and employed by HHS in carrying out the purposes of this agreement, and shall in no event be liable for the negligent or wrongful acts of Reseller's agents, employees, or contractors.

It is understood and agreed that the Reseller in the performance of any services pursuant to this Agreement is acting an independent contractor, and nothing herein contained shall be construed as granting the Reseller any right to control HHS with respect to his conduct, time or method of performing the services provided pursuant to this Agreement.

Reseller shall not be authorized to sign any contract on behalf of HHS.

HHS fully supports its Resellers by backing Hozhoni Balance Rail® with a 90 day no-hassle exchange period on any defective materials. In the event that returned product cannot be restocked, and is covered under the terms of this guarantee policy, HHS will apply credit, totaling the wholesale cost of covered units, to the reseller's account, that is applied toward the reseller's next wholesale purchase of Hozhoni Balance Rail®.

Hozhoni Balance Rail® is designed to withstand at least 90 days of daily use. 90 day 'no-hassle exchange' mean



862 Main Avenue
Suite 210
Durango, CO 81301

• T 970-247-1851
• E contact@hozhonibalancerail.com
• W www.HozhoniBalanceRail.com



customers may return Hozhoni Balance Rail® for a full exchange of their product, for any manufacturing defect of the product (torn, breaking-down, etc.) for a replacement set, free-of-charge, within 90 days of the date of purchase.

Restocking & Return Procedure:

1. Only returns of defective Hozhoni Balance Rails® may be returned for a full exchange of product. Returns must be retained by reseller, and returned to HHS for inspection and/or refurbishing.
2. HHS will reimburse first-class USPS postage costs (up to \$5.50) for shipments of up to 4 pairs. For return shipments of more than 4 pairs, HHS will reimburse postage up to a USPS medium flat rate box (currently \$10.85) which holds up to 20 pairs. Reimbursement of return postage will be issued as account credit on the next order. HHS is not liable for stolen, lost or missing return shipments; insuring return shipments is the sole responsibility of the Reseller, and at the Reseller's discretion.
3. To receive account credit, returns must be reported on the Return Authorization Form (RAF-provided separately), and physically received by HHS. A maximum of one Return Authorization Form may be submitted per account, per month.

The wholesale purchase and sale of merchandise will work under the following guidelines:

1. The wholesale cost of Hozhoni Balance Rail® for authorized Resellers is determined by HHS. The current wholesale cost for all genuine Hozhoni Balance Rails® is \$45.00 plus shipping and handling. Wholesale cost for Hozhoni Balance Rail® is established by HHS and may be adjusted by HHS at its sole discretion. This includes the product in approved packaging with supplied basic instruction material. This DOES NOT include the cost of shipping. Products will be packaged together when ordered together.
2. Advertise Hozhoni Balance Rail® at no less than the authorized retail purchase price determined by HHS. When advertising a percent (%) off sale on everything in store, HHS products should be specifically excluded.
3. The current authorized retail purchase price for all genuine Hozhoni Balance Rails® is \$150.00. Approved Retailer's or Dealers may not sell Hozhoni Balance Rail® for less than the authorized retail price. Retail purchase price for Hozhoni Balance Rail® is established by HHS and may be adjusted by HHS at its sole discretion.
4. The policy applies to all advertisements of HHS products in any media, including, without limitation, all flyer's, posters, coupons, mailers, inserts, newspapers, magazines, catalogs, mail order catalogs, Internet or similar electronic media, television, radio, and public signage. The policy is not applicable to any in-store advertising that is not distributed to any customer.
5. The inclusion in advertising of free or discounted products or services (whether offered by HHS or another manufacturer or provider) with a product covered by the policy is contrary to the policy if it has the effect of discounting the advertised price of the covered product below the authorized retail purchase price. The inclusion of free shipping is the only exception to this policy.
6. HHS reserves the right to adjust the wholesale purchase price and authorized retail purchase price of all or certain products at its sole discretion upon 30 days notice to the Dealers and Distributors, provided that such change shall apply equally to all HHS Retailers, Dealers and Distributors. Intentional and/or repeated failure to abide by this policy shall result in suspension or termination of Dealer status or Distributorship. HHS does not intend to do business with Dealers or Distributors who degrade the image of HHS and its products. HHS will not provide notice or



862 Main Avenue
Suite 210
Durango, CO 81301

• T 970-247-1851
• E contact@hozhonibalancerail.com
• W www.HozhoniBalanceRail.com



issue warnings before taking action under this policy.

Internet Sales:

HHS recognizes that the Internet is the least effective venue to provide exceptional customer service and guidance for our products, therefore HHS only allows Internet sales to occur only through our Online store where HHS can monitor guidance for our products. Internet sales are not allowed through resellers or any third-party resellers, or auction services such as, but not limited to: Amazon.com, E-bay, Craigslist, etc...

Other:

Reseller shall notify HHS within 10 business days of receipt of a shipment containing damaged or defective products, or that deviates from the order. Failure to do so shall be conclusive proof that the products were received without error or defect.

Reseller accounts created under the terms of this agreement are based on pre-purchase of inventory from HHS.

These Terms and Conditions shall be effective as an agreement between the parties upon issuance by HHS to Reseller of a memorandum verifying approval of Reseller's Account and setting forth any other terms and pricing provisions applicable to the particular business relationship between HHS and Reseller. This agreement supersedes any prior agreements and shall remain in effect until superseded or terminated. This agreement is not transferable or assignable by Reseller without the express prior written consent of HHS, and can be terminated at any time by either party upon not less than 30 days' written notice.

If any provisions of this agreement are deemed invalid in a court of law, the other provisions of this agreement shall remain valid. Failure of HHS to strictly enforce any provision of this agreement shall not be a waiver of that provision, nor shall it be deemed to preclude HHS from enforcing that provision, or any other provision of this agreement, thereafter.

Reseller acknowledges these Terms and Conditions may be supplemented from time to time by one or more schedules or exhibits provided by HHS setting forth such additional terms between Reseller and HHS as may be applicable (including but not limited to pricing or volume discounting).

Any such schedules or exhibits shall not be effective for at least 30 days after delivery to Reseller. If the proposed terms are not acceptable to Reseller, and accommodation cannot be reached between Reseller and HHS, Reseller's sole recourse shall be to terminate this agreement.

MANAGEMENT OF CONSIGNEE'S BUSINESS

Reseller acknowledges and accepts exclusive liability for the payment of any and all wages, commissions, remunerations, or other compensation of any of Reseller's employees, agents or contractors; and any and all premiums, contributions and taxes for Income, Workmen's Compensation Insurance, Unemployment Insurance and Old Age Benefits, Annuities, and Retirement Benefits now or hereafter imposed by any governmental agency, authority, subdivision, or unit having any authority with respect to any portion of this Agreement, which are measured by the compensation paid to Reseller or paid by him to persons employed by him in connection with the performance of this Agreement and Principal will not be liable for any such payments in connection with Reseller or persons employed by him and which may be assessed against HHS.



862 Main Avenue
Suite 210
Durango, CO 81301

• T 970-247-1851
• E contact@hozhonibalancerail.com
• W www.HozhoniBalanceRail.com



Reseller shall indemnify, defend, and hold HHS, its members, managers, successors and assigns, harmless against all claims, losses, expenses, and damages, including interest, penalties, and attorneys' fees and legal costs through all appeals, that HHS shall incur, which are caused by or related to Reseller's breach of any provision of this Section or failure by Reseller to perform obligation under this Agreement, including attorneys' fees and legal costs to enforce this indemnification.

TERMINATION

This agreement is not assignable and may be terminated by either party on 7 days' written notice to the other.

GOVERNING LAW

It is agreed that this agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Colorado. Exclusive Jurisdiction shall be in the Colorado State District Court in and for La Plata County, Colorado.

The failure of either party to this agreement to insist on the performance of any of the terms and conditions of this agreement, or the waiver of any breach of any of the terms and conditions of this agreement, shall not be construed as waiving any terms and conditions, but such terms and conditions shall continue and remain in full force and effect as if no forbearance or waiver had occurred.

MEDIATION OF DISPUTES

All disputes, claims, and questions regarding the rights and obligations of the parties under the terms of this agreement shall be submitted to mediation in La Plata County, Colorado before a mediator from the community, and the parties agree to mediate in good faith. The parties agree to share equally the costs of the mediation, unless otherwise agreed. The mediation, unless otherwise agreed, will terminate thirty days after the first date of written request for mediation sent by a party to the last known address of the other party.

ATTORNEY FEES

In the event that any action is filed in relation to this agreement, the unsuccessful party in the action shall pay to the successful party, in addition to all the sums that either party may be called on to pay, a reasonable sum for the successful party's attorney fees, and legal costs, including the costs of mediation.

MODIFICATION OF AGREEMENT

Any modification of this agreement or additional obligation assumed by either party in connection with this agreement shall be binding only if evidenced in a writing signed by each party or an authorized representative of each party.