

GIBBZ ARMS OFFICE USE ONLY

Contract Number:

Effective Date:

GIBBZ ARMS AND

Dealer Name:

DEALER AGREEMENT

Gibbz Arms, an Arizona based company, appreciates your commitment to serve as a dealer (together with your affiliates, "Dealer") for Gibbz Arms. This Dealer Agreement (together with its exhibits, all of which are incorporated by this reference, "Agreement") will commence on the Effective Date (as identified above) and will continue during the term identified in the Agreement, unless otherwise terminated as provided.

I PRICING

<u>Products and Pricing</u>. Gibbz Arms will make available for sale to Dealer the products at the prices identified in the current "Price List," upon the terms provided in this Agreement. Gibbz Arms may, at its sole discretion, and without incurring any liability to Dealer, change the features of, or discontinue the manufacture, license, or sale of any of its products. The prices of products will be subject to change from time to time and Gibbz Arms will provide Dealer with written notice 30 days in advance of the effective date of any increased in any price in the Price List; provided, however, that Gibbz Arms may decrease a price without notice. Price changes will apply to corresponding products that are ordered by Dealer on or after the effective date of a price change.

II. OTHER TERMS & POLICIES

1. Dealer agrees to be bound by the Terms and Conditions set forth in <u>Exhibit A</u>, along with the Bid Policy set forth in <u>Exhibit B</u>, both of which are incorporated in this Agreement by reference. Dealer also acknowledges the unilateral terms of Gibbz Arms's Minimum Advertised Price Policy, attached as <u>Exhibit C</u>.

2. Except as otherwise expressly provided, Gibbz Arms may modify or amend the terms and/or policies set forth in this Agreement from time to time by providing written notice to Dealer and Dealer's acceptance of such modified or amended terms and/or policies shall be evidenced by Dealer's placement of purchase orders with Gibbz Arms after its receipt of such notice.

Each of the undersigned has reviewed and accepts to be bound by the terms of this Agreement as of the Effective Date and each party warrants that the individual signing this Agreement on its behalf is duly authorized to do so:

Company Name:
Tax I.D. Number:
Signature:
Print Name:
Title:
Address:
Phone:

EXHIBIT A

TERMS AND CONDITIONS

1. <u>Warranty and Returns</u>. Gibbz Arms will use its commercially-reasonable efforts to insure that the products will be free of defects in material and workmanship for a period of one year. Excluded from this warranty are defects directly or indirectly caused by actions or inactions of Dealer or defects that are directly or indirectly related to normal wear and tear, misuse, abuse, or neglect, changes, alterations, and/or anything other than defects in material or workmanship. The foregoing warranty is for the sole and exclusive benefit of Dealer, and does not extend to any third parties, including without limitation any resellers or end users. Dealer acknowledges that, before returning any products to Gibbz Arms for warranty inspection, Dealer will need to obtain a return authorization number and ship such products, freight prepaid and insured, to Gibbz Arms, along with the return authorization number. In the event that Gibbz Arms determines that such product does not conform to its specifications, Gibbz Arms will have the right to repair or replace the product or issue Dealer a refund or credit for the product, as determined by Gibbz Arms in its sole discretion.

2. <u>Merchandising Materials</u>. All product merchandising materials provided by Gibbz Arms to Dealer (e.g., display racks, fixtures, branding signs, posters and in-store artwork, and similar items) shall remain the exclusive property of Gibbz Arms.

3. <u>Trademarks and Other Intellectual Property</u>.

a. During the term of this Agreement and subject to the terms of this Agreement, Gibbz Arms hereby grants to Dealer a revocable, non-exclusive, non-transferable license (without the right to grant sublicenses) to use the trademarks, trade names, and other marketing names used by Gibbz Arms for its products (collectively, the "Marks") and/or any copyrighted images of Gibbz Arms, solely: (i) on or with the products, including the packaging, advertising, marketing, and other materials associated therewith; (ii) in connection with the development of Internet websites featuring the products (subject to the restrictions set forth in this Agreement); and (iii) in full accordance with all guidelines, policies, and instructions as may be promulgated from time to time by Gibbz Arms. The license granted by the preceding sentence will not survive the termination of this Agreement.

b. Dealer acknowledges and agrees that Gibbz Arms owns and retains all right, title, and interest in and to the Marks, and that all of Dealer's use of the Marks inures to the benefit of Gibbz Arms. Dealer agrees to do nothing that (a) is inconsistent with Gibbz Arms's ownership of the Marks, or (b) negatively impacts or affects the goodwill associated with Gibbz Arms or the Marks, as may be determined by Gibbz Arms in its sole discretion. Nothing in this Agreement gives Dealer any right, title, or interest in or to the Marks, other than the right to use the Marks in accordance with the terms of this License. Dealer will not attempt to register any of the Marks and Dealer recognizes the great value of the goodwill associated with the Marks, and agrees that preliminary injunctive relief would be appropriate to restrain any unauthorized use of the Marks.

c. Dealer will not do business under, or operate any websites or form of social media (e.g., Facebook, Twitter, etc.) that incorporate or feature, any name or designation containing a Mark without Gibbz Arms's prior written permission.

d. Dealer may have access to and become acquainted with Gibbz Arms's confidential and proprietary information including, but not limited to, information concerning customers and accounts, pricing, personnel, sales, marketing, financial operations and methods, designs, and trade secrets (collectively "Proprietary Information"). Except with the prior written consent of Gibbz Arms, Dealer will not disclose any of Gibbz Arms's Proprietary Information directly or indirectly, or use it in any way, and will further make all reasonably necessary efforts to safeguard from disclosure any of Gibbz Arms's Proprietary Information during the term of this Agreement and thereafter.

4. <u>Disclaimer</u>. ALL SALES ARE FINAL. EXCEPT AS EXPRESSLY PROVIDED IN THE "WARRANTY AND RETURNS" SECTION, PRODUCTS ARE PROVIDED ON AN "AS-IS" BASIS WITHOUT ANY WARRANTY, AND Gibbz Arms EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS, IMPLIED, AND STATUTORY, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY, TITLE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS, AND FITNESS FOR A PARTICULAR PURPOSE.

5. <u>Limitation of Liability</u>. EXCEPT FOR A BREACH OF THE "TRADEMARKS AND OTHER INTELLECTUAL PROPERTY" SECTION, NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL OR INDIRECT DAMAGES, EVEN IF ADVISED BEFOREHAND OF THE POSSIBILITY OF SUCH DAMAGES, AND NEITHER PARTY'S LIABILITY UNDER THIS AGREEMENT WILL EXCEED THE AMOUNTS PAID AND OWED BY DEALER FOR PRODUCTS HEREUNDER.

6. <u>Resale of Gibbz Arms Products</u>. Dealer is prohibited from acting as a distributor of products, re-selling any products other than to end users, and/or exporting any products outside of the United States without the prior written consent of Gibbz Arms, *Rev_Jan_17*

which may be granted or withheld in Gibbz Arms's sole discretion. In addition, Dealer is prohibited from selling Gibbz Arms products on websites hosted or operated by third parties (e.g., Amazon Marketplace, etc.) or through other means of third-party distribution.

7. Delivery and Title. [Delivery to Dealer will occur, and title will pass to Dealer's carrier, upon delivery by Gibbz Arms to the carrier at Gibbz Arms's facility and, upon such delivery, Dealer will be responsible for and bear the entire risk of loss or damage to the products (including any insurance charges) thereafter. Gibbz Arms recommends that Dealer purchase an appropriate level of insurance to cover products purchased. Should Dealer need to file a claim with a shipping carrier, Gibbz Arms will, to it's best ability, provide needed documentation to assist Dealer with claim.] Dealer hereby grants to Gibbz Arms a purchase money security interest in the products and any proceeds Dealer receives from sales thereof until payment of the full purchase price to Gibbz Arms. Dealer agrees to perform all acts Gibbz Arms reasonably deems necessary or appropriate to perfect and maintain such security interest. In the event of default by Dealer of any of its obligations to Gibbz Arms, Gibbz Arms will have the rights, without liability to Dealer, to repossess the products sold hereunder.

8. <u>Term and Termination</u>.

a. The initial term of this Agreement will commence as of the Effective Date and will continue until December 31 of the year of the Effective Date, unless terminated prior to such date in accordance with the terms of this Agreement. Thereafter, this Agreement will automatically renew for successive one-year periods, commencing on January 1 and terminating on December 31 of each year, provided that (i) Dealer is not in breach of its obligations under this Agreement and (ii) the Agreement has not previously been terminated in accordance with the terms hereof, or until a new contract intended to supersede and replace this Agreement is executed by both parties. For purposes of this Agreement, the "term" of this Agreement will include both the initial period, as well as any successive periods. Either party may provide written notice to the other party of its desire not to have this Agreement automatically renew and, if so, this Agreement will not renew if such notice is provided at least 30 days prior to the end of the then-current one-year period.

b. Either party may terminate this Agreement without cause on 60 days' written notice. Notwithstanding the forgoing, if (i) Dealer breaches any portion of this Agreement, (ii) if there is any change whatsoever in ownership, control, management or solvency of Dealer, or (iii) Dealer fails to abide by Gibbz Arms dealer policies as may in effect from time to time, then Gibbz Arms may, in its sole discretion, terminate Agreement immediately by providing written notice to Dealer.

c. Upon any termination, Dealer agrees to (i) cease holding itself out to the public as a reseller of Gibbz Arms's products; (ii) transfer to Gibbz Arms all advertising material related to products in its possession; (iii) pay immediately for any purchases from Gibbz Arms made prior to such termination; and (iv) if requested by Gibbz Arms, sell to Gibbz Arms, or a party designated by Gibbz Arms, all products in Dealer's inventory that are in saleable condition at the cost thereof to Dealer, plus any customs duty, excise taxes, and freight paid by the Dealer. Notwithstanding any termination or expiration of this Agreement, Sections 5 et seq. will survive, in addition to any other provisions that might otherwise be expressly identified in this Agreement.

9. <u>Relationship of Parties</u>. Each party will be deemed to be an independent contractor with regard to the other party. Dealer is neither the sales agent nor sales representative of Gibbz Arms and has no authority or right to bind Gibbz Arms to any obligations with third parties.

10. <u>Compliance with Laws; Indemnification</u>. Dealer shall comply with all applicable laws in connection with the performance of its obligations under this Agreement. Dealer shall indemnify and hold Gibbz Arms (together with its employees, officers, directors, and agents) harmless against any and all damages, costs, expenses, and liabilities resulting from third-party claims brought against Gibbz Arms relating to or arising from Dealer's breach of this Agreement, the performance of its obligations under this Agreement, and/or the gross negligence or willful misconduct of its employees or agents.

11. Integration; Amendment; Severability; Assignment; Successors; Waiver; Construction. This Agreement, together with the exhibits hereto, each of which is expressly incorporated herein by reference, constitutes the entire agreement between the parties pertaining to the subject matter contained herein and supersedes all prior and contemporaneous agreements. Except as otherwise provided in this Agreement, any amendment or waiver of any terms must be made in writing and signed by both parties. If any term or provision of this Agreement is deemed invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Dealer may not assign its rights or delegate its duties under this Agreement without Gibbz Arms's prior written consent. This Agreement shall be binding upon the successors and assigns of the parties hereto. Neither the failure nor any delay on the part of either party to exercise any right, remedy, power, or privilege under this Agreement shall operate as a waiver thereof, nor shall any *Rev_Jan_17*

waiver of any right, remedy, power, or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power, or privilege with respect to any other occurrence. The construction of this Agreement shall not take into consideration the party who drafted or whose representative drafted any portion of this Agreement, and no rule of construction shall be applied that resolves ambiguities against the drafter of a document.

12. <u>Recovery of Fees</u>. In the event of a dispute regarding the non-payment or collection of the price for products purchased under this Agreement, the non-prevailing party shall pay the other party's reasonable attorneys' fees and other costs and expenses in such amount as a court, mediator, or arbitrator shall determine.

13. <u>Choice of Law; Venue</u>. This Agreement will be governed by and construed under the laws of the State of California, irrespective of such state's choice-of-law principles. Should any action be brought to enforce the terms of this Agreement, the courts of the State of California will have sole jurisdiction over any such disputes or litigation and the parties hereby consent to such jurisdiction and waive any objections thereto.

EXHIBIT B

BID POLICY

In order to provide the end users of Gibbz Arms's products with the highest level of service and support through Gibbz Arms's dealer network, Gibbz Arms has developed a policy and guidelines regarding the procedure for the submission of bids by Gibbz Arms's dealers ("Bid Policy"). For purposes of this Bid Policy, a "bid" as any formal request in writing to dealers and manufacturers to respond with such pricing within a time period specified by the agency, including both auction-style and Internet-based bids with opening and closing dates or times.

Specifically, during the terms of this Agreement, Dealer will be granted the privilege of submitting bids to third parties with regard to the resale of Gibbz Arms products within defined geographical areas, as identified herein (the "Territory"). Regardless of any defined geographic areas, Dealer agrees not to submit bids to any state, local, or federal agencies (including military agencies) without written acknowledgement from Gibbz Arms that Dealer has been designated as the Dealer of Record ("DOR") from an authorized representative of Gibbz Arms (e.g., a regional sales manager or more senior representative).

In order to request to be designated as a DOR, Dealer shall notify its Gibbz Arms sales representative in writing of the agency program and bid that Dealer is pursuing, including the date of presentation, samples provided, and evidence of any additional customer support provided during the specification process. This notification must occur prior to the bid being released to the public. Gibbz Arms's sales representative will then confirm in writing for Dealer whether Dealer has been designated as the DOR for such opportunity.

What If I Don't Comply?

The failure of a retailer to adhere to the BID Policy might result in one or more of the following:

- 1. the revocation of all dealer discounts and marketing support for a 30-day period;
- 2. the revocation of all dealer discounts and marketing support for a 90-day period; and/or
- 3. the discontinuation of supply of affected products and/or the discontinuation of retailer's status as an authorized reseller of Gibbz Arms products.

In addition, Dealer agrees to withdraw a bid submitted in violation of this policy if requested by Gibbz Arms. Gibbz Arms shall have no liability with regard to any consequences of such withdrawal.

Gibbz Arms may, in its sole discretion, provide multiple DOR authorizations in connection with a bid and/or provide bid authorization letters to parties issuing bids to inform such parties of the Gibbz Arms dealers that are authorized to respond to such bids.

EXHIBIT C

MINIMUM ADVERTISED PRICE POLICY

Gibbz Arms Minimum Advertised Retail Pricing Policy

What is it?

Gibbz Arms, designs, manufactures, distributes, and markets high-quality products, and these products are marketed through a network of approved retailers. Effective January 1, 2014, Gibbz Arms instituted a minimum advertised retail pricing policy (the "MAP Policy") relating to its line of products.

Significantly, the MAP Policy does not affect a retailer's actual resale price and it does not require, nor is it intended to discourage retailers from selling products at, above, or below Gibbz Arms's suggested retail price; each retailer is expected to independently determine the price at which it sells Gibbz Arms products. The MAP Policy is simply a unilateral statement that has been adopted by Gibbz Arms with regard to the advertising of the prices for Gibbz Arms's products. From time to time, Gibbz Arms will identify minimum advertised prices ("MAP") for its products in the Price List provided to retailers. Thereafter, all prices advertised by retailers must be at or above MAP. The MAP Policy applies to advertised prices at physical retail locations, in catalogs and other printed materials, via electronic mail, on broadcast media, and on Internet websites.

With respect to the Internet and websites, all information regarding products prior to the point of sale is considered advertising and subject to the terms of the MAP Policy. For the purpose of the MAP Policy, the "point of sale" is defined as that level or page at which the product can be purchased by placing it in the shopping cart or equivalent. Any pricing information displayed at or after such point is excluded from the provisions of the MAP Policy. Resellers are responsible for ensuring that their advertised prices on Internet search engines are at or above MAP.

In connection with the promotion of store-wide, category-wide, or other general discounts that have the effect of promoting Gibbz Arms products below MAP, Gibbz Arms products must be explicitly excluded.

Close-out, discontinued, and/or blemished products are exempted from the MAP Policy; provided, however, that such products must be clearly identified as such in all advertisements.

What If I Don't Comply?

The failure of a retailer to adhere to the MAP Policy might result in one or more of the following:

- 4. the revocation of all dealer discounts and marketing support for a 30-day period;
- 5. the revocation of all dealer discounts and marketing support for a 90-day period; and/or
- 6. the discontinuation of supply of affected products and/or the discontinuation of retailer's status as an authorized reseller of Gibbz Arms products.

All determinations will be made unilaterally by Gibbz Arms in its sole discretion. No employee of Gibbz Arms is authorized or permitted to request, demand, or accept any assurances of compliance from any account with regard to the MAP Policy.