



DEALER AGREEMENT

This Agreement is made by and between Liquid Icon, Inc. ("Liquid") and _____ ("Dealer"), effective this ____ day of _____, 201___. Dealer desires to be an authorized retailer of Liquid branded products and this Agreement sets forth Liquid's and Dealer's rights and obligations with respect to such dealership.

1. Dealer Locations. Dealer will sell Liquid products at the following locations only. Liquid products may not be sold by Dealer at any other location without the prior written consent of Liquid (list Dealer addresses):

2. Location Standards. The following standards will apply to the authorized locations:
 - a. The interior and exterior of Dealer's location(s) must be and remain tasteful and consistent with the standards and image of Liquid products.
 - b. Sales personnel must be knowledgeable about Liquid products and be helpful and courteous to potential Liquid customers.
 - c. Dealer must purchase a minimum of \$3600.00 annually and must maintain a fair representation of Liquid products to remain as an authorized dealer.
3. Advertising. Dealer may not advertise Liquid products without the prior written consent of Liquid, which includes, but is not limited to print, television, video, internet, billboard, letterhead, business cards or any other commercial use.
4. Sales Channels. Dealer may sell Liquid products at the above identified locations only and may not sell via mail order, the internet or vending without the prior written consent of Liquid. Further, Dealer may not sell Liquid products outside of its designated geographic area without Liquid's prior written consent.
5. No Diversion. Dealer will not sell Liquid products to any other entity or individual that Dealer know or should have reason to believe has the intention of reselling the products. Dealer agrees that it will educate its employees regarding this provision and take reasonable steps to prevent diversion of Liquid products in violation of this Agreement. Any breach of this provision will be cause for immediate termination and will subject Dealer to damages. Liquid will be entitled to recover from Dealer any costs and expenses incurred by Liquid to repurchase product diverted by Dealer.
6. Trademarks. Dealer agrees it will only use Liquid trademarks and logos as authorized by Liquid. Dealer agrees not to sell or display products that infringe upon the trademark or patent rights of Liquid.
7. Displays. All displays provided to Dealer will remain the sole and exclusive property of Liquid. Dealer will not place any products in a Liquid display other than Liquid branded products. Dealer will be required to provide Liquid with a deposit for the use of displays, which will be refunded upon Liquid's receipt of the display, so long as the display has not been damaged. Dealer agrees to reimburse Liquid for the cost of any

Liquid display that is lost, stolen or damaged while in Dealer's possession. Dealer agrees to return the display upon request by Liquid.

8. Terms of Sale. Sales terms, returns and warranty are set forth on the Terms and Conditions of Sale attached hereto as Annex 1. This Agreement and the order confirmations shall be the governing documents between the parties and shall be controlling in the event there is any conflict between them and any agreement created by Dealer, including vendor guides or purchase orders. This Agreement may not be modified without the express written consent of an officer of Liquid. Dealer agrees that this Agreement is to be retroactive to the date Dealer was originally opened as an account, and supersedes all prior agreements between the parties regarding this subject matter, if any. From time to time, Liquid may agree in writing to adhere to Dealer's policy guides or policies which supplement this Agreement; however under no circumstances shall Liquid be liable or responsible for any vendor compliance charges.
9. Termination. This Agreement may be immediately terminated by Liquid if Dealer breaches any provision of this Agreement. Upon termination, Liquid will have the right (but not the obligation) to repurchase any remaining inventory from Dealer at the invoiced price, less a reasonable restocking fee. Dealer agrees to cooperate with Liquid with respect to the repurchase of inventory and the return of any Liquid displays in Dealer's possession.
10. Governing Law. This Agreement will be governed by the laws of the State of Arizona and is entered into and to be performed in Yuma County, Arizona. Dealer consents to the personal jurisdiction of the state or federal courts located in Yuma, Arizona as the exclusive venue for any action arising under this Agreement.
11. Attorneys' Fees. The prevailing party in any action under this Agreement will be entitled to recover its reasonable attorneys' fees in addition to any other costs or damages awarded.
12. No Assignment. This agreement is not assignable by Retailer and either party may terminate this Agreement upon thirty (30) days prior written notice to the other party.
13. Authority to Sign. The undersigned represents and warrants that he/she has the authority to bind Dealer to this Agreement.
14. Conditional Acceptance of Agreement. By signing below, Liquid conditionally accepts Dealer as an authorized retailer of Liquid product. Liquid reserves the right, however, to inspect the Dealer's premises and selling practices within the first 90 days after the effective date of this Agreement. Liquid may cancel this Agreement within the first 90 days if Liquid determines in its sole discretion that Dealer does not satisfy Liquid's retailer standards without any further obligation to Dealer.

LIQUID ICON, INC.

DEALER

By:
Title:

By:
Title:

ANNEX 1

TERMS AND CONDITIONS OF SALE

- 1) These Terms Prevail. These terms and conditions shall prevail in any conflict between them and any terms in a purchase order, confirmation, acknowledgment, or other form or correspondence prepared by Dealer. No change in the terms of this order, and no additional or different terms, whether or not they materially alter the order, shall be binding upon Liquid unless such changes or additional or different terms are expressly agreed to in writing by Liquid. Nothing contained herein shall limit the right of Liquid to deal with other retailers, agents, representatives, or distributors, regardless of their proximity to Dealer.
- 2) Order Acceptance. The preparation of an order form by a sales representative of Liquid or the submission of a Purchase Order by Dealer shall not constitute acceptance of the order until such time as it is formally approved by Liquid at its headquarters. Liquid's prices exclude excise, sales, use, GST or similar taxes, freight and other delivery expenses, insurance charges and duties, all of which shall be borne by Dealer.
- 3) Price and Payment Terms. The price and payment terms for Liquid merchandise shall be as provided herein even if inconsistent with Dealer's purchase order. Liquid reserves the right to modify its prices without prior notice to Dealer and to provide more favorable terms of sale to other customers so long as said difference in terms does not violate any federal or state laws. Any claim by Liquid for non-payment shall be made in a timely manner in accordance with applicable law and Liquid's right to collect said sums shall not be altered by any terms in Dealer's purchase order or other document. Specifically, Liquid does not waive any rights it might have under any applicable statute of limitations provisions.
- 4) Credit Terms. On approved credit, Dealer shall pay Liquid for all goods shipped to Dealer pursuant to the terms authorized by Liquid. In the absence of approved credit, all goods shall be paid for in cash on delivery. All sums shall be paid in United States currency. Failure to make payment pursuant to the terms provided for herein shall constitute a default by Dealer which shall give Liquid the right to elect to terminate its obligation to ship further goods to Dealer or request adequate assurances from Dealer. If Liquid requests adequate assurances from Dealer, Liquid shall have the sole and absolute discretion as to whether it will accept such assurances from Dealer. Liquid reserves the right to reject orders and withhold shipment in the event Dealer's account is past due. Invoice payments past due shall bear interest on a daily balance at the rate of 1 ½% per month, (18% APR) or the maximum rate permitted by law, whichever is lower.
- 5) Cancellation of a Pre-booked Order. Pre-booked orders may not be cancelled. Dealer may be assessed a penalty and/or will lose future pre-booking privileges.
- 6) Changes to Order. Any changes to a pre-booked order requested by Dealer must be received by Liquid within fifteen (15) days of Dealer's receipt of this order confirmation.
- 7) Returns: Any returns sent to Liquid by Retailer that are not authorized by Liquid will remain the responsibility of the Retailer. All such unauthorized returned product received at Liquid will be returned to the Retailer at the Retailer's expense. Any authorized return of product to Liquid must arrive at Liquid in saleable condition, including original packaging. Any returns shall be subject to a restocking fee. Sunglasses may be returned within 30 days of invoice date if not scratched or damaged for credit only. Beyond 30 days, an unsold item may be returned if Dealer purchases two new items. All returns must be made via a return authorization process with the RMA number written on the exterior of any return package. Any package received without an RMA will be returned to Dealer at Dealer's expense.
- 8) Title and Risk of Loss. Dealer takes title and bears all costs of or damage to the goods from the time the goods leave Liquid's shipping dock.
- 9) Delivery Date. All target shipping dates provided by Liquid are estimates and any failure to adhere to delivery dates shall not entitle Dealer to cancel its order or to recover any damages.
- 10) Non-Conforming Goods. In the event that any part of the merchandise which is the subject of this order does not, in the opinion of Dealer, conform to the terms of any purchase order of

Dealer with regard to quality, quantity, assortment, packaging or in any other respect, the merchandise shall not be returned, but Liquid shall have the right in its sole discretion to either replace the allegedly non-conforming goods or allow them to be returned to Liquid. Notice of any non-conformity shall be made within ten days of delivery, and thereafter Dealer shall waive any claim of product non-conformity or error in shipment. Any testing of Liquid's merchandise requested by or conducted by Dealer shall be at Dealer's sole cost and expense. Lenses scratched by Dealer or its customers are not covered by warranty.

- 11) Force Majeure. In the event of a disruption or discontinuance of Liquid's business in whole or in substantial part, either temporarily or permanently, by reason of fire, flood, earthquake, war, governmental restrictions or laws, act of God, embargo labor trouble, or strikes or other cause of like or unlike nature beyond Liquid's control, Liquid shall have the option of canceling delivery of all or any part of the merchandise not yet delivered with no fee or penalty of any kind imposed by Dealer.
- 12) No Implied Warranty. LIQUID GRANTS NO WARRANTIES OR CONDITIONS, EXPRESSED, IMPLIED, STATUTORY OR OTHERWISE REGARDING THE MERCHANDISE, ITS FITNESS FOR ANY PARTICULAR PURPOSE, QUALITY OR MERCHANTABILITY. LIQUID SHALL NOT BE LIABLE FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, INCIDENTAL, OR INDIRECT DAMAGES, LOST PROFITS, THE COST OF PROCUREMENT OF SUBSTITUTE PRODUCTS OR OTHER SERVICES HOWEVER CAUSED OR ANY THEORY OF LIABILITY ARISING IN ANY WAY OUT OF THIS AGREEMENT. DEALER AGREES THAT LIQUID'S LIABILITY UNDER THIS AGREEMENT REGARDLESS OF THE FORM OF ACTION SHALL IN NO EVENT EXCEED THE PRICE PAID BY DEALER FOR THE SUBJECT MERCHANDISE. THIS LIMITATION SHALL APPLY EVEN IF LIQUID HAS BEEN ADVISED IN ADVANCE OF THE POSSIBILITY OF SUCH DAMAGES AND NOT WITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSES OF ANY LIMITED REMEDY PROVIDED HEREIN.
- 13) Insurance Coverage. Liquid represents and warrants it has obtained adequate insurance coverage for any and all claims relating to defective products but Liquid shall not be obligated to carry any other insurance or add Dealer as an additional insured.
- 14) Indemnification. In the event that Liquid is legally required to indemnify and/or defend Dealer from any claim, obligation, judgment or liability, Liquid will provide purchaser with a defense by way of attorneys selected at Liquid's choice without being subject to approval by Dealer. Dealer will have no obligation to participate in the defense, nor will Dealer have any right to contest any settlement or other voluntary resolution of the matter by Liquid.
- 15) Dealer's Insolvency. Dealer shall notify Liquid within 24 hours of becoming insolvent, filing bankruptcy, being placed in receivership, or making an assignment for the benefit of creditors or others, or when proceedings are commenced under laws with a view to Dealer seeking protection from its creditors. Upon the occurrence of any such event, this order shall automatically be canceled and any amounts due and owing by Dealer shall become immediately due and payable. Additionally, Liquid shall have the right to immediately repossess any goods not paid for that have already been delivered pursuant to this or any other order of Dealer.
- 16) Assignment. Dealer may not assign any of its rights under this order to any third party without the prior written consent of Liquid.
- 17) Intellectual Property. Dealer shall have no rights in Liquid's patents, trademarks, copyrights, or other intellectual property except as provided in this or other written agreements between the parties. Dealer may not use Liquid's trademarks or advertise Liquid's products without Liquid's prior consent.
- 18) Confidential Information. Vendor agrees that, during the course of its relationship with Liquid, it may have access to confidential proprietary information of Liquid, including all information that has or could have commercial value or other utility to Liquid in its business and that, if disclosed without authorization, could be detrimental to Liquid's interests. Such information includes all information designated and maintained by Liquid as confidential and includes but is not limited to designs, processes, formulas, inventions, improvements, research or development test results, specifications, business plans, unpublished financial information, customer and supplier identities and marketing plans or strategies. Vendor agrees that it will

not disclose any Liquid confidential information to any third party without Liquid's prior written consent and will disclose said information only to those employees who need to know and who are bound by obligations of confidentiality. Vendor agrees that the existence and terms of its relationship with Liquid shall be considered confidential information subject to this provision.

- 19) Non-Waiver. The failure of Liquid to insist upon strict performance of any of the terms and conditions of this order or to exercise any rights or remedies, shall not be construed as a waiver of its right to assert any of same or to rely on any such terms and conditions at any time thereafter.