

## DEALER AGREEMENT

This dealer Agreement (the "Agreement") is entered into as of \_\_\_\_\_ 20 \_\_\_\_, by and between savv ® Corp. herein referred to as savv, a California corporation, having its principal place of business at 16000 Carmenita Rd. Cerritos, California 90703. and:

\_\_\_\_\_  
(Full legal name of dealer and the DBA if different than legal name)

having its principal place of business at \_\_\_\_\_  
herein after referred to as (the "Dealer"). In consideration of the terms and conditions set forth herein, savv ® and Dealer, having had the opportunity to establish the terms herein, acknowledging the sufficiency of the consideration herein and intending to be bound hereby agree as follows:

1. **Definitions.** For purposes of this Agreement, the following terms shall have the meanings specified below:  
"Authorized Location(s)" shall mean the location(s) identified on Exhibit A hereto, incorporated herein by this reference. "Products" shall mean the products Manufactured and distributed by SAVV under the trademark "savv®" and described on Exhibit B hereto, incorporated herein by this reference.
2. **Authorization.** savv ® hereby authorizes Dealer to sell the Products at the Authorized Location(s) for the period described below, subject to the terms and conditions of this Agreement. No exclusive rights are created by this Agreement. Dealer hereby accepts such authorization on such terms and conditions.
3. **Duties of Dealer.**
  - 3.1 Dealer agrees to use its best efforts to promote, market and sell the Products at all Authorized Locations. To this end Dealer shall, at Dealer's sole cost and expense, maintain each Authorized Location in good condition, have the Products available for demonstration at each Authorized Location, provide at least one separate sound or demonstration area at each Authorized Location which enables customers to adequately test the quality of the Products, employ qualified sales and other personnel and provide adequate training related to the Products to such personnel.
  - 3.2 Dealer agrees to prominently display the Products in accordance with guidelines that may from time to time be issued by savv ® and to keep and make available to consumers sales literature, warranty information and specification sheets relating to the Products.
  - 3.3 It is the intention of both parties that Dealer should provide immediate delivery of the Products to Dealer's customers. To facilitate this, Dealer agrees to maintain inventories of the Products sufficient to effectively promote and sell the Products and to meet anticipated resale requirements for at least thirty (30) days.
  - 3.6 Dealer agrees to maintain a competent sales force which is thoroughly familiar with the features and technical advantages of the Products and which can demonstrate and explain such features and advantages of the Products to consumers. It is recognized that this requires a greater understanding of the Products than that required for conventional competitive products and Dealer therefore agrees to have its sales and service personnel attend training sessions which will be offered by appointed savv ® representatives and study sales, service and warranty bulletins for the Products as they are issued.
  - 3.7 Dealer agrees to sell the Products only to consumers who visit one of Dealer's Authorized Locations, and Dealer agrees that it shall make no sales by mail, telephone order, Internet, or by trans-shipment of the Products. Dealer agrees that it shall not offer to sell or sell Products from any location other than Authorized Locations.
  - 3.8 Dealer agrees not to engage in any unfair trade practices and to ensure strict compliance with all applicable Federal, state and local laws, ordinances, and regulations, and orders as well as compliance requirements of the Federal Trade Commission or other administrative agencies, and Dealer shall indemnify and hold harmless savv ® from any suit, claim and/or liability that may result by violation of this Section.
  - 3.9 Dealer shall submit to savv ® complete and accurate information regarding Dealer's financial condition and its sales and inventories of the Products in such form and such times as savv ® may from time to time request.
  - 3.10 Dealer shall advise savv ® of any change in Dealer's ownership or management within five (5) business days of such change.

#### 4. SAVV' Duties and Reserved Rights.

- 4.1 savv reserves, in its sole and absolute discretion, the rights to:

Applicant's Signature: \_\_\_\_\_.

- a. Modify the design or specifications of any Product, discontinue any Product, and introduce other products without prior notice to Dealer and without incurring any liability to Dealer or otherwise affecting the terms of this Agreement.
  - b. Solicit and make sales to dealers, retailers, end users and distribute the Products through any other channel of distribution;
  - c. Authorize agents or additional retail dealers for the area serviced by the Dealer;
  - d. Reduce, limit or reschedule any order from Dealer because of material shortages or other circumstances beyond savv ® ' reasonable control; and
  - e. Recommend resale prices for sales of Products to end-users. (Such recommended resale prices are advisory only, and shall not affect any person's rights to sell Products at any price it deems advisable.)
- 4.2 savv ® will use its best efforts to fill promptly all orders received from Dealer, but reserves the right to allocate inventories on an equitable basis. savv ® shall not be liable to Dealer for any claim against or damages suffered by Dealer as a result of savv ®' failure to fill any order. If savv ® is unable to meet a requested delivery date, it will so notify Dealer.

**5. Terms of Sale**

- 5.1 Dealer agrees to buy the Products at the dealer prices in effect at the time of shipment, as modified from time to time by SAVV in its sole and absolute discretion, for each Product. The dealer prices in effect on the date hereof have been delivered to Dealer. All prices are FOB point of shipment. savv ® agrees to ship Products by ground freight or as Dealer may otherwise reasonably request. Dealer agrees to pay all taxes, duties, cartage, unloading, insurance, freight and other similar charges, as well as all costs arising from any delay in shipment or delivery.
- 5.2 Unless savv ® has agreed in writing to extend Dealer credit, all invoices shall be immediately due and payable upon issuance of such invoice.
- 5.3 savv ® shall have the right, in its sole and absolutely discretion, to establish payment terms and /or credit limits (or other financial requirements) for Dealer and savv ® shall inform Dealer in writing of such terms, and such payment terms and/or credit terms (or other financial requirements established by savv ® may be altered by savv ® from time to time, at its sole and absolute discretion, by written notice to Dealer. Dealer grants to savv ® a purchase money security interest in all Products sold to Dealer hereunder, and agrees to execute such security agreements and financing statements as shall be presented to it by savv ® to perfect such purchase money security interest. A purchase order shall be accepted by savv ® on the payment and/or credit terms then in effect, and Dealer shall pay all invoices when due. If Dealer becomes delinquent in payment obligations or other payment, credit, or financial requirements established by savv ® or, if in the sole opinion of savv ® Dealer's credit becomes impaired, savv ® shall have the following right and remedies in addition to any other rights or remedies provided by applicable law:
- a. Declare all sums owing to savv ® immediately due and payable, notwithstanding any credit terms previously granted;
  - b. Refuse any purchase order placed by Dealer, or defer or stop delivery of any Products which are the subject matter of any purchase orders previously placed by Dealer with, and accepted by, savv ® and such action by savv ® shall not be considered a termination (unless SAVV so advises Dealer) or breach of this Agreement by savv ®;
  - c. Make further sales of the Products to Dealer on cash advance basis only;
  - d. Section 17 notwithstanding, savv ® may immediately retain a collection agency and/or institute litigation in any court of competent jurisdiction to collect all sums owing to savv ® and savv ® shall be entitled to recover from Dealer all collection agency fees (30% of invoice amount), internal processing costs, reasonable attorneys' fees, and court costs associated with such collection effort. The foregoing provisions of this Section 5.3 notwithstanding, a service charge of one-half percent (1.5%) per month, or the highest rate permitted by law, if less, will be added to all invoices which are past due, and Dealer agrees to pay such service charge to savv ®. The application of the service charge will not, however, be deemed to relieve Dealer of its obligation to make payment at the due date or be deemed to constitute an extension of said due date.
- 5.4 Upon request by savv ® Dealer shall execute and deliver to savv ® such guaranties, financing documents or other documents, which savv ® in its sole and absolute discretion deems necessary to secure the performance of Dealer's obligations hereunder.
- 5.5 All shipments shall be F.O.B. point of shipment, and the risk of loss or damage shall pass to Dealer when savv ® delivers the Products to the first carrier.
- 5.6 All purchase orders must be submitted in writing via facsimile transmission or e-mailed to orderdesk@savv.com
- All purchase orders are subject to written acceptance by SAVV® which acceptance shall not unreasonably withheld. Any terms or conditions contained in any such purchase order which are in addition to or different from those contained herein or on savv ® standard terms and conditions of sale, as in effect from time to time, shall be null and void and shall not be binding on savv ® .
- 5.7 Dealer is required to submit a credit card authorization form, regardless of Dealer type or term. SAVV® keeps customer credit card information on file to use in the event of past due balances. Therefore all Dealers must maintain an accurate credit card number including expiration date and accurate credit card mailing address. If your account is more than 30 days overdue, SAVV® will attempt to contact you for payment both by mail and phone. If your account is more than 45 days past due, SAVV® will charge your card for past due balances. Otherwise your credit card will not be charged unless your account is on credit card payment terms

**6. Trademarks.**

- 6.1 Dealer recognizes the validity of savv ® trademarks and trade names, and acknowledges that such trademarks and trade names are the sole property of savv ® or its affiliates in all countries. Dealer gains no license or proprietary rights in such trademarks or trade names hereunder, and shall not infringe upon, dilute or harm savv ® rights in its or its affiliates trademarks and trade names. Dealer shall not use any trademarks or trade names upon the Products other than those authorized by savv ® from time to time. Dealer may, on its business cards, letterhead, catalogs, and other materials, use the words "savv ® " or "savv ® Authorized Dealer". Dealer agrees, however, upon request of savv, to discontinue any use of such word or phrase to which SAVV objects. In no event will Dealer, without the prior written consent of savv ® use savv ® name or the name "savv ® Corporation". Except as

Applicant's Signature: \_\_\_\_\_.

expressly provided in this Section 6.1, Dealer shall not use savv ® ' or savv ® affiliates' trademarks or trade names in any manner without submitting such proposed use to savv ® and obtaining prior written approval there for from savv ®.

- 6.2 Upon any termination of this Agreement, Dealer agrees to discontinue immediately all use of SAVV' or SAVV' affiliates' trademarks and trade names and to destroy or deliver to SAVV (at SAVV' election) all advertisements, brochures, displays, designs, posters and other promotional matter then in Dealer's possession or control.

## 7. Term and Termination.

- 7.1 This Agreement shall become effective on the date first above written, and shall remain effective thorough the end of December , 20\_\_ unless sooner terminated as provided below.
- 7.2 Either party may terminate this agreement at any time, with our with out cause, upon a thirty( day written notice
- 7.3 Either party may terminate this Agreement upon written notice if the other party becomes insolvent, admits in writing its insolvency or inability to pay its debts as they become due; is unable or does not pay its debts as they become due; makes or proposes an assignment for the benefit of creditors; convenes or proposes to convene a meeting of its creditors or any class thereof, for purposes of effecting a moratorium upon or extension or composition of its debts; proposes any such moratorium, extension or composition; or commences or has filed against it any bankruptcy, reorganization, liquidation or insolvency proceeding under any law in any country for the relief of debtors; or if any receiver, trustee, liquidator or custodian is appointed to take possession of a substantial portion of the assets of such other party.
- 7.4 savv ® may terminate this Agreement at any time upon written notice to Dealer in the event that Dealer breaches any material provision of this Agreement.
- 7.5 savv ® has executed this Agreement in reliance upon the active, substantial and continued personal participation of dealer's present management in dealer's business. Dealer agrees that savv ® may therefore terminate this Agreement upon written notice to Dealer in the event of any change in Dealer's ownership, management or control.

## 8. Effect of termination.

- 8.1 Upon any termination of this Agreement, savv ® shall have the right, but not the obligation, to repurchase some or all unsold Products in Dealer's possession or control for the cost to Dealer of such Products less any discounts and allowances which savv ® gave Dealer, less reasonable freight, insurance, taxes, handling and processing costs, and other similar costs incurred by savv ® as a result of such repurchase, and less any amount owing to savv ®. In the event savv ® exercises its repurchase option, Dealer agrees to deliver such repurchased Products to savv ® in their original packages.
- 8.2 Upon termination of this Agreement, Dealer shall on the effective date of termination pay to savv ® all monies owed at this time whether or not due, shall discontinue forthwith any and all use of the trademarks and trade names of savv ® and savv ® affiliates and shall forthwith remove or cause to be removed all signs including, but no limited to, all references in publications, telephone directories and business directories, designating Dealer as authorized to sell the Products.
- 8.3 Upon termination of this Agreement, Dealer shall within ten (10) days, return to savv ® all information in written, graphic or tangible form relating to the Products including but not limited to samples, price lists, catalogs, promotional literature, and all other information, which is in Dealer's possession.
- 8.5 The right and obligations set forth in Sections 3.8, 5.3, 6.2, 8, 9, 11, 13, 16 and 17 shall survive any termination of this Agreement.

## 9. Warranty.

- 9.1 **SAVV MAKES NO WARRANTY, EXPRESS OR IMPLIED, FOR ANY PRODUCT SOLD TO DEALER, ANY END USER OR OTHER PARTY, EXCEPT AS SET FORTH HEREIN. SAVV AGREES TO WARRANT TO ANY END USER ALL PRODUCTS IN ACCORDANCE WITH THE TERMS OF SAVV' STANDARD WARRANTY FOR EACH PRODUCT, AS IN EFFECT FROM TIME TO TIME. SAVV' SOLE OBLIGATION TO ANY END USER UNDER SUCH WARRANTY SHALL BE LIMITED TO THE REPAIR OR REPLACEMENT AT SAVV' OPTION OF DEFECTIVE PRODUCTS DELIVERED TO SAVV AT THE END USER'S EXPENSE.**
- 9.2 savv ® shall inform Dealer of the product warranty applicable to Dealer's customers. Dealer is not authorized on behalf of savv ® to expand or attempt to expand such warranty or liabilities in connection therewith nor make any statements or representations having such effect to its customers. Dealer shall incorporate the manufacturer's warranty in its contracts whit its customers in a manner that complies with the requirements of the Magnuson-Moss Warranty – Federal Trade Commission improvement Act ("Magnuson-Moss Act"). The Magnuson-Moss Act requires that Dealer make available to the customer the text of the written warranty by means of one of the following and savv ® shall supply materials to enable dealer to so comply:
- Clearly and conspicuously displaying the text of the written warranty in close conjunction to each warranted product.
  - Displaying the product package on which the written warranty is disclosed in a manner such that the warranty is clearly visible.
  - Placing in close proximity to the warranted product a notice that discloses the text of the warranty.

10. **Indemnity.** Dealer agrees to defend, indemnify and hold harmless savv ® from and against all claims, demands and other liabilities asserted against savv ® (including attorneys' fees) as a result of Dealer's alleged acts or omissions. Dealer shall notify SAVV in writing, within ten (10) days of receipt of any complaints or claims brought or threatened against dealer or savv ® or its affiliates with respect to any of savv ® or its affiliates' trademarks or the Products.

12. **Disclaimer of Association.** This Agreement shall not be construed as creating a partnership, joint venture, agency or any other association, which would impose upon one party liability for the acts or omissions of the other. Dealer is an independent contractor, acting

Applicant's Signature: \_\_\_\_\_.

as a principal on its own behalf, and is not authorized to bind savv ® in any way or to make any representations concerning the Products, except as expressly authorized in writing by savv ® . Dealer is not entitled to any benefits available to the employees of savv ®

13. **Compliance with Applicable U.S. Laws.** savv ® is selling Products to Dealer within the United States and therefore is not required to file for a United States Export License, or make any other filings with respect to the export of the Products to Dealer. All technology, technical information and technical data received directly or indirectly hereunder by Dealer from savv ® is intended solely for the use of Dealer and its customers within the United States, and shall not be exported except in strict compliance with all United States Export Administration laws and all other applicable United States laws, including but not limited to, any applicable antitrust, anti-monopoly, unfair competition or other fair trade laws, as now or hereafter exist. savv ® expressly reserves the right to refuse any Dealer order which, in savv ® ' sole judgment, is or may be a violation of such laws on the part of savv ®.

14. **Assignment.** Dealer's interest in this Agreement may not be assigned or transferred, by operation of law or otherwise, nor may its duties hereunder be delegated without the express prior written consent of SAVV Corp. A sale or other transfer of a controlling interest in Dealer shall be deemed an assignment for the purposes of this Agreement. Any attempted assignment shall, unless approved, be null and void and be cause for termination of this Agreement.

15. **Attorneys' Fees and Arbitration.**

15.1 If any legal action or proceeding is brought to enforce this Agreement, the successful or prevailing party shall be entitled to recover reasonable attorneys' fees and other costs incurred in such action or proceeding, in addition to any other relief to which such party may be entitled.

15.2 Any controversy or claim between the parties hereto arising out of this Agreement, on the written request of one party served upon the other, shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Rules of the American Arbitration Association then in effect. The arbitration shall be conducted in Los Angeles County, California, before the American Arbitration Association or such other arbitration service as the parties may, by mutual agreement, select. Each party shall pay one-half of the cost of arbitration, and the prevailing party shall be entitled to recover from the unsuccessful party its attorneys' fees and all other costs incurred in connection with such arbitration or the enforcement of this Agreement. In the event of a disagreement as to the selection of an arbitrator, the Presiding Judge of the Superior Court having jurisdiction to enforce the arbitration award shall select the arbitrator. Judgment on the award the arbitrator renders may be entered in any court having jurisdiction over the parties.

16. **Notices.** Except as otherwise provided herein, all notices, requests, demands and other communications made under this Agreement shall be in writing and shall be deemed to have been duly given: (a) upon delivery, if served personally on the party to whom notice is to be given; (b) on the date of receipt, refusal or non-delivery indicated on the receipt if mailed to the party to whom notice is to be given by first class mail, registered or certified, postage prepaid, or by air courier; or (c) on confirmation of receipt if delivered by telex or telecopy transmission, properly addressed to the parties at the addressed first set forth above, or to such other nominee or address as either party may designate in writing.

17. **Governing Law.** This agreement shall be governed and construed in accordance with the internal laws (and not the laws pertaining to choice of law) of the state of California.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective duly authorized officers or representatives.

\_\_\_\_\_  
"Dealer"  
  
\_\_\_\_\_  
Name (Typed or Printed)  
  
\_\_\_\_\_  
Title (Typed or Printed)  
  
\_\_\_\_\_  
Signature

SAVV corp.  
  
\_\_\_\_\_  
Name (Typed or Printed)  
  
\_\_\_\_\_  
Title (Typed or Printed)  
  
\_\_\_\_\_  
Signature

**Exhibit A Authorized selling locations**

**Main Location**

**Second Location**

\_\_\_\_\_  
Street  
  
\_\_\_\_\_  
City / State / Zip

\_\_\_\_\_  
Street  
  
\_\_\_\_\_  
City / State / Zip

Applicant's Signature: \_\_\_\_\_.