

## REGAL LAGER AUTHORIZED DEALER AGREEMENT

### **I. DEALER QUALIFICATION AND COMPANY PRODUCTS**

**A. Qualification.** Dealer represents that it regularly maintains a retail sales operation at one or more locations and each of such locations is an established place of business of Dealer that sells and displays new juvenile products to the general public at regularly established hours. Dealer will promptly notify Regal Lager, Inc. (the Company) if Dealer no longer meets these requirements.

**B. Company Products.** The Company will sell to Dealer the products identified on the Company's Authorized Dealer Price List as in effect at the time of any such sale (the "Company Products"). The Dealer has no exclusive right to sell any of the Company Products.

### **II. SALES - DEALERS' RESPONSIBILITIES**

**A. Promotion.** Dealer agrees to use its best effort to promote the good will and name of the Company and the Company's authorized marks. Dealer will adequately, prominently and permanently display in its retail establishment(s) the Company Products, the Company displays, the Company's name and marks. Dealer may use advertising in local media, but at no time may Dealer advertise the price of any Company Product. Dealer will not make or solicit direct sales of Company products through national media (**including the Internet**) without the Company's prior written approval. The Company shall have the right to review and approve Dealer's advertising and promotional materials.

**B. Sales Training.** Dealer will instruct its sales personnel on the proper use of the Company Products and will adequately instruct customers on the appropriate use and safety features of the Company Products. Dealer will further ensure that all Company Products are accompanied with an owner's manual or will assist the customer in obtaining an owner's manual.

**C. Retail Sales.** The Company Products may be offered for sale by Dealer only to individual retail consumers. Sale or transfer of any of the Company Products to other Dealers or individuals for their resale is strictly forbidden. Dealer is not authorized to sell Company Products for export from the United States or Canada.

**D. Company Names and Marks.** The Company grants Dealer a nonexclusive, royalty-free license to use the names and marks REGAL LAGER, REGAL LAGER AUTHORIZED DEALER, and those names and marks of products that the Company has a right to sublicense ("the Marks") in connection with the sale and promotion of the Company Products under this Agreement. The Company may change or terminate Dealer's right to use any Mark given by sublicense under this Agreement at any time and at the Company's sole discretion. The Marks may only be used by Dealer (i) at its location(s) and (ii) for labels, decals, advertising, catalogs, and other promotional and sales material that meet the requirements of this Agreement, and at no other place and for no other purpose. Dealer shall employ proper trademark designations (e.g. "TM", "SM" or "®"), as designated from time to time by the Company, with the Marks. Dealer may not grant any sublicenses of the Marks.

**E. Warranty.** The Company Products are covered by a limited warranty as stated with each product. **All other warranties, including implied warranties of merchantability and fitness for a particular purpose are excluded.** Dealer shall not vary the terms of the Company's limited warranty for any product, nor make any other express warranties, that are not contained in the printed warranty for that product. The Company makes no other representations or warranties with the respect to the Company Products.

**F. Warranty Service.** Dealer must return the Company Products for warranty repair or replacement. Dealer may not perform warranty repairs of any Company Products unless authorized in writing by the Company. In warranty repairs, refunds or recalls of a product, Dealer will provide the Company proof of the name of the original purchaser and retail price paid, post signs at its retail establishments, advertise in local media, mail notices to its customers or provide such other help as the Company may reasonably request.

**G. Taxes.** Dealer shall collect and pay all applicable sales and other taxes on the Company Products purchased, held or sold by Dealer.

### **III. TERMS AND CONDITIONS OF SALE**

**A. Prices and Specifications.** Prices and specifications are subject to change without notice. Prices are valid only for the United States and its territories.

**B. Acceptance of Orders.** All orders are subject to acceptance by the Company. The Company will not be liable to Dealer for failure or refusal to accept any order, or failure to fill any accepted order. The Company's acceptance of an order is evidenced only by shipment of the order and only to the extent of the shipment. The Company is not required to back order and later ship any order, whether partially accepted or not.

**C. Back Orders.** All back ordered items are routinely shipped as they become available, at the price in effect at the time of shipment. Dealer must cancel its order in writing before shipment. Orders returned and not canceled are subject to a 10% restocking fee.

**D. Sales.** All sales are final FOB the Company's warehouse, Kennesaw, Georgia.

**E. Payment and Credit.** All orders must be paid credit card, COD (cash only) or cash in advance (CIA) unless credit has been approved. To obtain credit, Dealer must submit a completed credit application with initial order and update at the Company's request. The Company approves credit and sets credit limits at its sole discretion. After Dealer's credit is approved, Dealers must pay all invoices NET 30 days from date of invoice. Payment by credit cards, VISA and MasterCard, will be debited to the card on date of shipment.

**F. Past Due Accounts.** Unless otherwise agreed in writing by the Company, accounts not paid when due will be assessed a late payment charge of 1.5% per month (or portion thereof) on the past due balance, and credit will be suspended. Past due accounts forfeit any pending or future discounts, special dating, rebates, or similar programs. Dealer shall pay reasonable expenses of collection, including collection agency and/or attorney's fees.

**G. Shipping.** All merchandise is sent at Dealer's risk and shipped F.O.B. the Company's warehouse. Unless otherwise instructed and agreed, the Company will send the merchandise by UPS regular ground and prepay the freight charges. Actual freight charges, based on the standard UPS rates in effect at the time of the shipment, and any handling charges, shall be paid as a separate item by Dealer and shall not be subject to discounts or rebates.

**H. Claims for Damage, Missing Shipments, and Non-conforming Merchandise.** All claims for damage, breakage or loss must be reported to the carrier within 48 hours. Claims for missing shipments must be made in writing to the Company within 30 days of invoice. Claims for nonconforming merchandise (including merchandise needing repair) must be made with 30 days of receipt of merchandise. Failure of Dealer to make timely claim will result in loss of Dealer's rights against the Company.

**I. Returns.** Merchandise may only be returned if defective or shipped in error. Merchandise may not be returned for any other reason. No returns may be shipped to the Company without prior issuance of a return authorization number, which must be clearly marked on each box. All merchandise returned is shipped at Dealer's risk and must be properly packed and shipped prepaid to the Company.

**J. Limitations of Liability.** The Company's liability to Dealer is expressly limited to either repair or replacement of the Company Products or, if the Company in its sole discretion should determine that it is not possible or practical to repair or replace the Company Products, refund of the Dealer's purchase price if the Company Products are returned. The remedies for Dealer are exclusive. The Company shall not, in any case, be liable for general, special, incidental or consequential damages to Dealer.

### **IV. DURATION OF AGREEMENT**

**A. Term.** The Company or Dealer may terminate this Agreement, with or without cause, at any time upon at least thirty (30) days written notice by certified mail, Fed Ex, UPS, or courier, specifying the date upon which the termination is effective. The Company may terminate this agreement by giving written notice, effective immediately, upon the breach by Dealer of any of Dealer's obligations hereunder; any material change in equity ownership of Dealer; any change

of control of Dealer; death, disability or incapacity of Dealer; dissolution or insolvency of Dealer; any material change in the nature and location of Dealer's business; any sale or other disposition of a material part of Dealer's assets; or Dealer files or has filed against it a case in bankruptcy, makes a general assignment for the benefit of its creditors or has a receiver or trustee appointed for any material part of its business or properties.

**B. Responsibilities Upon Termination.** Any termination of this Agreement shall be without prejudice to any right that has accrued to either party hereunder prior to such termination. Dealer agrees upon such termination to the following: it will cease identifying itself as a Regal Lager Authorized Dealer; it will forthwith pay the Company any and all sums due from it to the Company. Dealer will return the Company Products to the Company (if applicable), remove signage and displays for the Company Products, and immediately discontinue the use of the Company name and Marks. Upon any breach by the Dealer hereunder, the Company may stop all shipments in transit and exercise any other remedies available to the Company under this Agreement or at law.

## **V. OTHER PROVISIONS**

**A. Entire Agreement.** This Agreement constitutes the entire contract between the Company and Dealer. This Agreement may not be changed, altered or amended except in writing signed by the Company or by the issuance by the Company from time to time of a new Agreement. Any action for breach of this Agreement against the Company must be commenced within twelve (12) months following delivery of the merchandise (or other action or inaction of the Company) giving rise to such action.

**B. Non-Waiver.** The failure or refusal of the Company to enforce any provision of this Agreement shall not be construed as a waiver of any such provision, or a waiver of any other provision of this Agreement, nor shall such waiver be construed as a waiver of such provision respecting any future event or circumstances

**C. Applicable Law and Arbitration.** This Agreement shall be governed and construed in accordance with the laws of the State of Georgia, without reference to conflicts of law principles. In the event of any dispute or litigation arising out of or relating to this Agreement or the relationship of the Company and Dealer, Dealer hereby irrevocably consents to have the disputes arbitrated before one (1) arbitrator when the sum involved is \$20,000.00 or less and before three (3) arbitrators in all other cases. The arbitration shall take place in Marietta, Georgia and be conducted under the Rules of the American Arbitration Association. Notwithstanding the foregoing, the Company may proceed against Dealer in any jurisdiction or court. Dealer waives personal service of any summons, complaint or other process and agrees that service may be made by certified mail addressed to Dealer at its address on the records of the Company, or by any other manner permitted by applicable law.

**D. Force Majeure.** The Company shall not be liable under the provisions of this Agreement for its failure to perform its obligations hereunder due to events, beyond its reasonable control (including but not limited to strikes, lockouts, accidents, fires, riots, delays of carriers, acts of God, governmental actions, state of war or any other causes beyond the control of the Company whether or not similar to these enumerated).

**E. No Agency.** This Agreement does not create a joint venture, partnership or agency relationship, and Dealer has no authority to act for or bind the Company.

**No Assignment.** Dealer may not assign this Agreement without the written consent of the Company. Any unauthorized assignments shall be void.

**INTERNET SALES AMENDMENT**  
**TO**  
**REGAL LAGER, INC**  
**AUTHORIZED DEALER AGREEMENT**

- A. The Dealer must be an authorized dealer under the Regal Lager, Inc.® Authorized Dealer Agreement (the “Dealer”).
- B. The Dealer may, after written approval by Regal Lager, Inc., display all Regal Lager, Inc. product and offer the same for sale within United States and Canada directly over the Internet, on a website owned by the Dealer. Only product for which Regal Lager, Inc. has distribution rights in Canada, may be shipped into Canada.
- C. The presentation on the Internet must be done in such a way that it conveys the image to the viewer that Regal Lager, Inc. offers a wide array of baby accessories made with superior design, function and quality.
- D. As the Internet may display registered trademarks, logos and property protected by patents or copyrights, all logos, images of products and written descriptions of products must be approved in writing by Regal Lager, Inc. before being published on the Internet. All images and logos used must be provided by Regal Lager, Inc.  
  
After the initial approval, the Dealer shall inform Regal Lager, Inc. of all additions and changes being made to the web pages containing Regal Lager, Inc. information.
- E. Regal Lager, Inc. reserves the right, to be exercised in its sole discretion, to grant, deny or revoke permission to any business or entity to display information about or sell Regal Lager, Inc.’s products over the Internet.
- F. This Internet Sales Amendment to Regal Lager, Inc. Authorized Dealer Agreement supercedes any contrary provision in the Regal Lager, Inc. Authorized Dealer Agreement.

I have read and understand the Regal Lager, Inc. Authorized Dealer Agreement and the Internet Sales Amendment and by my signature below agree to be bound by its terms.

Name of Store \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Principal/Owner Name (please print) \_\_\_\_\_

Signature \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Regal Lager, Inc.

1100 Cobb Place Blvd.  
Kennesaw, GA 30144

Telephone: (770) 955-5060  
Facsimile: (770) 955-1997

E-mail: [info@regallager.com](mailto:info@regallager.com)  
[www.regallager.com](http://www.regallager.com)