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Dealer Agreement

TERMS AND CONDITIONS

1. **Minimums:** Initial new dealer order of \$500.00 domestic and \$1000 for International dealers are required. No Minimum is required on repeat orders.
2. **Booking Program:** Dealer is eligible for an additional 3% discount off of dealer pricing with orders that are pre-booked. Orders placed on non cancelable monthly or quarterly shipments schedules are considered booked PO's.
3. **Price:** See Appendix A
4. **Payment.** Dealer agrees to pay Advanced Safety Devices, LLC ("ASD") for the products and services, licenses or sub-licenses from ASD (the "ASD Products") within thirty (30) days of the date of ASD's invoice. ASD may charge Dealer a cancellation charge, if Dealer cancels any part of any order or if ASD cancels any part due to Dealer's failure to comply with its obligations under any agreement with ASD. If the cancellation is sixty (60) or more days prior to the scheduled delivery date, the cancellation charge is ten percent (10) of the gross purchase price of the canceled ASD Products. If the cancellation is less than sixty (60) days prior to the scheduled delivery date, the cancellation charge is twenty-five percent (25%) of the gross purchase price of the canceled order. Customer agrees that ASD's Standard Terms and Conditions of Sale for a specific product shall govern Dealer's purchase of that product. Dropship dealers pay by credit card (Visa or MasterCard Only). The credit card on file must be preauthorized automatically and whenever ASD receives ship to order. No other terms are available for dropship dealers.
5. **Security:** All orders are subject to ASD credit department approval, and shall not be considered binding until they are accepted by ASD. ASD reserves the right if Dealer's open account is not current, to discontinue all sales to Dealer or, at ASD's option, to sell only on cash order basis. Amounts overdue shall accrue interest at the lesser of one and one-half percent per month or the maximum amount permitted by law. Dealer shall reimburse ASD for all costs and legal fees, including reasonable attorneys' fees, incurred by ASD or its agents in seeking to enforce Customer's payment obligations or any other rights or obligations under this agreement. Dealer shall pay all applicable state and local taxes and all shipping and handling charges. Dealer shall promptly reimburse ASD for any such charges paid by ASD. As security for payments due ASD, Dealer hereby grants ASD a purchase money security interest in and to all of the ASD Products and their proceeds until all moneys due to ASD are paid in full, and a limited power of attorney to execute and file appropriate UCC forms on Dealer's behalf to perfect ASD's security interest. Customer shall perform all acts necessary to protect ASD's security interest. ASD shall cancel and release any such recorded lien upon receipt of full payment for the ASD Products.
6. **Subrogation:** In the event of any payment, replacement or other satisfaction for damaged, lost or destroyed goods for orders placed hereunder, ASD shall be subrogated to all of Dealer's rights of recovery therefore against any person or organization, and Dealer shall execute and deliver any and all instruments and papers and whatever else is necessary to secure such rights. Dealer shall not do anything to prejudice such rights.
7. **Applicable Law:** This Application is deemed entered into in, and shall be interpreted, construed, performed, and enforced in all respects in accordance with, the laws of the State of California, without giving effect to its conflict of law rules, and any controversy or claim brought by ASD for breach of this agreement or for collection of unpaid invoices may be brought, in ASD's discretion, in the federal or state courts of California having subject matter jurisdiction over the dispute. By signing this Application, Dealer hereby irrevocably consents to the jurisdiction and venue of the California State and federal courts in any action alleging breach of this agreement or for payment of moneys due to ASD.
8. **MINIMUM RETAIL PRICE POLICY (MRP):** It is the policy of ASD to discontinue business with retail customers that sell ASD products below published Minimum Retail Price. If the MRP policy is violated on a product, ASD will immediately discontinue selling that product to the retail dealer. If violations continue, ASD will close the retailers account with respect to all products and will accept no further orders. This is a unilateral statement of ASD policy and the implementation of that policy will likewise be unilateral. Retailers may sell ASD products at any price they choose, but should be aware that the consequences of selling those products below ASD MRP include discontinuation of affected products and, ultimately, loss of ASD account status. The following activities will not be construed to be a violation of our MRP policy:
 - Store employee purchases for personal use
 - Resale of closeout, discontinued or otherwise distressed merchandise
 - Defined seasonal store promotions
 - Non-defined store promotions, with prior ASD approval.
9. **MERCHANDISE CLAIMS, REPAIRS AND WARRANTY:** No merchandise will be accepted for credit or exchange without an ASD return authorization number and a copy of the invoice. All merchandise is subject to a 15% restocking fee and must be in the current ASD assortments offered for resale during the current calendar year. Merchandise must be free of price stickers and be in sellable condition. No merchandise will be accepted for credit or exchange UNLESS it is defective, an error by ASD has occurred, or it is previously approved in writing by ASD. Items covered under warranty will be repaired or replaced at ASD's discretion.

10. **COMPLIANCE:** Dealer shall not ship, transfer, or export any of the ASD Products, or any derivative thereof, directly or indirectly, into any country except as permitted by the U.S. Export Administration Act and the regulations there under, or use any of the ASD Products for any purpose prohibited by such Act.

11. **WARRANTY:** Dealers of ASD products shall not make representations or warranties with respect to the quality, features or performance which are contrary to, or inconsistent with those described in literature published by ASD. All warranty claims and inquires should be made to: ASD Warranty and Repair Department. Return Authorizations (RMA) are required.

12. **MISCELLANEOUS:** Any modification of these terms and conditions and/or additional or different terms in any purchase order, acknowledgment, or any other writing shall be void, and of no effect. This Application together with ASD's Standard Terms and Conditions of Sale for the ASD Product(s) purchased by Customer, shall constitute the entire agreement between Dealer and ASD regarding the subject matter hereof (the "Agreement") and will merge and supersede all conflicting provisions. The Agreement may be modified or amended only by a written instrument signed by duly authorized representatives of Dealer and ASD and not by any purchase order, acknowledgment, or any other writing or course of dealing. If any provision is invalid or unenforceable under any applicable statute or rule of law, it is to that extent deemed omitted. Except with respect to breach of warranty, the tolerance of a default shall not be deemed a waiver. The Agreement is binding on both Dealer and ASD and their successors and permitted assigns. Dealer may not assign the Agreement without ASD's prior written consent.

ASD shall not be liable, and ASD's nonperformance shall be excused, for any failures or delays due to causes beyond its reasonable control, including, but not limited to, acts of God, embargoes, war (declared or undeclared), fires, floods, earthquakes, accident, government restrictions, shortages or inability to obtain raw materials, damage by the elements, transportation difficulties, production delays, strikes or other labor trouble, or unusually severe weather conditions. In the event of shortage, ASD may allocate its available supply of ASD Products among its customers, including the internal requirements of ASD and its affiliates, on such basis as it may deem fair and practical in its sole and absolute discretion, without liability. The headings herein are for convenience only and may not be used in interpreting the Agreement.

Addendum 1

Attention: 2013 FOREIGN DEALER TERM ADDITIONS

PRICES/CURRENCY: All prices are expressed in US Dollars. Payments for all goods must also be tendered in US Dollars.

WARRANTY: All products being returned to ASD must have a Return Authorization number identified on the shipping label. From our website submit your request for the Return Authorization number and review our policy regarding product returns.

FREIGHT: Customer shall pay for international shipping and brokerage fee for shipments to abroad from the US via Federal Express. Customers requesting other freight carriers will be responsible for providing their broker of choice and their account number for the freight carrier and all associated charges and paperwork.

Dealer Signature: _____

Date: _____

Title: _____

Telephone: _____