



DEALER AGREEMENT

This Agreement made between:

Action Target Inc.

8802 West 35W Service Drive NE / Blaine, MN 55449-6740

P 763.746.5390 / P 800.779.0182 / F 651.645.5360

Herein after referred to as "ATI" and:

Dealer Name:		Company Name:			
Company Address:					
Company Address 2:					
City:		State:		Zip:	
Phone:		Fax:			
Email:					

Herein after referred to as "Dealer."

This Authorized Dealer Agreement (Agreement) is entered into by and between ATI and Dealer identified above. Intending to be legally bound, the parties agree to all of the terms and conditions set forth in this Agreement. The purpose of this Agreement is to establish the rights and responsibilities of the Dealer as an authorized ATI Dealer for the ATI product line herein after referred to as "Products."

- I. **Dealership and Products.** During the term of the agreement, ATI hereby appoints Dealer the non-transferable right to display and sell certain ATI Products.
- II. **Obligations of ATI.** If Dealer abides by all terms of this Agreement and is current on all payments, ATI will:
 - a. Supply determined products (as available) within the ATI product line.
 - b. Make available to Dealer advertising content such as logos, product descriptions, product photos, and technical specifications.
 - c. Provide safety guidelines for Product use.
 - d. ATI and its employees shall have no authority to instruct any Dealer as to what its resale prices must be and will not interfere with the Dealer's independent establishment of resale prices as long as the Dealer is in compliance with ATI promotional and minimum advertised price (MAP) guidelines.
 - e. ATI reserves the right to bid on all Requests for Quotation (RFQ) regardless of Dealer participation.
 - f. ATI is not obligated to provide territory protection.
- III. **Obligations of Dealer.** Dealer agrees to:
 - a. Maintain the consumer safety standards inherent in the design and intended use of each ATI product.
 - b. Never, either expressly or implicitly, advertise or promote in writing or otherwise the misuse of any ATI Product.
 - c. Never modify or alter an ATI Product from its original design or use ATI Product parts in the creation of custom targets or other products.
 - d. Ensure that all advertised or promoted prices comply with ATI promotional and minimum advertised price (MAP) guidelines.
 - e. Marketing Activities. Dealer shall be solely responsible for all costs and expenses related to advertising, marketing, promoting, and selling the Products. Dealer shall use its best efforts to promote honestly the marketing and sale of the Products to realize the maximum sales potential for the Products.
 - f. Trademarks and Trade Names. During the term of this Agreement, Dealer shall have the right to indicate to the public that it is an authorized Dealer of ATI Products and to advertise such Products under the Trademarks and Trade Names of ATI ("Trademarks and Trade Names"). Nothing herein shall grant to Dealer any right, title, or interest in or to the Trademarks and Trade Names. Upon termination of this Agreement, Dealer shall immediately cease to use same.
 - g. Acquire and maintain, at Dealer's own expense, liability insurance in amounts reasonably satisfactory to ATI to cover all activities of Dealer.
 - h. That any and all use of the ATI Trademark and logo shall be used in accordance with ATI Logo Standards.
 - i. To conduct its business operations in compliance with all applicable Federal and State laws, rules, and regulations and refrain from unethical false or misleading advertising, promotions, and sales efforts.
- IV. **Payment**
 - a. Payment terms will start as an upfront payment via credit card, wire, check, etc.
 - b. A credit account with ATI may be established. A credit check will be initiated to determine approval and establish a credit limit.
 - i. Full payment from Dealer to ATI is to be made within 30 days of each order receipt (net 30). Acceptable payment types are check, money order, wire transfer, ACH payment, COD, and credit card (Visa, MasterCard, American Express, Discover).
 - ii. Failure of the Dealer to maintain prompt payment of its account or a poor credit score will result in the suspension of credit terms. Subsequent deliveries will be on a COD basis until such time as ATI feels that credit may be reestablished.
- V. **Shipping, Inventory, and Returns**
 - a. Dealer has the option to maintain inventory and/or function on a drop ship basis.
 - b. For all shipping purposes, Dealer may choose to use ATI's shipping account or its own. If using ATI's shipping account, the price of shipping will be applied to the order amount. Acceptable standard shipping services include UPS Parcel, UPS Freight and FedEx Freight. Other options may be available based on prior notice and agreement.
 - c. LTL Freight - ATI can accommodate larger orders in a variety of ways and we will secure the best prices/options available. We can use your own freight forwarder upon request.
 - d. International Shipping - We will secure the best prices/options available. We can use your own international freight forwarder upon request.
 - e. If receiving inventory, Dealer should accept the delivery regardless of condition and inspect each product for shipping damage or factory malfunctions. If any problem is found, Dealer will contact ATI immediately and receive authorization before returning the shipment.

- f. If Dealer is functioning on a drop ship basis, its customers should be informed to accept the delivery regardless of condition and notify Dealer of any issues. In the event of shipping damage or factory malfunctions, Dealer must receive authorization from ATI before returning the shipment for the customer.

VI. Pricing and Promotions

- a. **Minimum Advertised Price (MAP).** Dealer may set and advertise prices for the ATI Products it sells at its discretion but may never exceed more than one dollar (\$1) below ATI's advertised price at any time except as outlined under Section 6 (b) and Section 6 (c).
- b. **Promotions.** Dealer is allowed to host up to two (2) promotions each year, regardless of the number of store fronts, during which time prices may be set and advertised below ATI's minimum advertised price. Each promotion may last a maximum of 31 days after which the MAP guidelines are enforced again. Dealer must notify ATI of each promotion at least 45 days in advance to ensure proper inventory quantities.
- c. **Price Changes.** ATI shall give prior notice in the event of a price change in which time Dealer must make the appropriate changes to meet ATI's MAP guidelines. Failure to do so is a breach in contract and may result in the termination of the Agreement. The only exception is for inventoried Product which may be sold by Dealer according to the MAP established at the time of purchase for 30 days after the price change.

VII. Internet Advertisement/Sales.

If Dealer proposes to sell, promote, or advertise ATI Products on the Internet, Dealer specifically agrees to the following conditions:

- a. If Dealer proposes to create an Internet page of pages containing any reference to ATI's name or Products, Dealer must submit the proposed Internet page(s) via email for ATI's specific written approval prior to the page or its content being posted on the Internet. This protocol will also apply to the following Internet activities where the ATI name, logo, or its Products are featured:
 - i. Acquiring or using domain names incorporating the words Action or ATI or Product names belonging to ATI is strictly prohibited.
 - ii. Selling Products via auction is prohibited.
 - iii. ATI owns the online marketplace opportunity unless dealer is granted written permission from ATI. Online marketplaces include but are not limited to: Amazon, Walmart, eBay, Overstock, Etsy, classifieds, etc.
- b. Dealers with website(s) are responsible for providing ATI with the name(s) of the individual(s) responsible for the creation and maintenance of all pages on the Internet which involve the use of ATI's name, logo, or Products.
- c. Dealer agrees that any Internet advertising of Products must show the price Dealer is selling for. This pricing must comply with ATI promotional and minimum advertised price (MAP) guidelines.

VIII. Term and Termination

- a. **Term.** The term of this Agreement shall commence on the date of its final execution by an authorized officer of ATI and shall continue in force for (1) years (the "Fixed Term") unless terminated earlier. If both ATI and Dealer do not renew this Agreement in writing within sixty (60) days before the end of the Fixed Term, this Agreement shall not be renewed and shall automatically terminate at the end of the Fixed Term and be of no further force or effect.
- b. **Adherence.** The Dealer acknowledges that any violation of this Agreement will lead to an immediate suspension or cancellation of the Dealer Agreement. Reinstatement of the Agreement following any such violation will be solely at the discretion of ATI.
- c. **Termination for Cause.**
 - i. If either party defaults in the performance of any provision of this Agreement, the non-defaulting party may terminate this Agreement without prior notice.
 - ii. This Agreement shall terminate, without notice
 - 1. Upon the institution by or against Dealer of insolvency, receivership, or bankruptcy proceedings or any other proceedings for the settlement of Dealer's debts
 - 2. Upon Dealer's making an assignment for the benefit of creditors
 - 3. Upon Dealer's dissolution
 - 4. Upon the sale, transfer, hypothecation, or other disposition of fifty percent (50%) or more of the stock or ownership of Dealer
 - 5. This agreement may be terminated immediately by ATI if Dealer commits a material breach or default of this Agreement.
 - iii. **Termination for Convenience.** Either ATI or Dealer may terminate this Agreement at any time with or without cause upon seven (7) days prior written notice to the other party.
 - iv. **Effect Termination.** Upon termination of this Agreement for any reason, ATI shall not be liable to Dealer for (and Dealer hereby expressly waives all rights to) compensation, indemnities, or damages of any kind, whether on account of the loss by Dealer of present or prospective profits, commissions, anticipated orders, expenditures, investments, or commitments made in connection with this Agreement, goodwill created, or on account of any other reason. ATI reserves the right to buy back inventory in the case of in the case of termination but is not obligated to do so.

IX. Rights and Confidentiality.

- a. **Proprietary Rights.** Dealer agrees that ATI owns all right, title, and interest in and to all patents, trademarks, trade names, inventions, copyrights, know-how, and trade secrets ("Proprietary Rights") relating to the design, manufacturing, operation, documentation, or service of the Products and all translations thereof. The use by Dealer of any of these Proprietary Rights is authorized only for the purposes herein set forth, and upon termination of this Agreement for any reason, such authorization shall cease.
- b. **Confidentiality.** Each party hereto acknowledges that by reason of its relationship to the other herein, it will have access to certain information and materials concerning the other party's business, plans, customers, technology, and products that are confidential and of substantial value to such party, which value could be impaired if such information were disclosed to third parties. Without limiting the foregoing, each party agrees that it will not use in any way for its own account or the account of any third party, nor disclose to any third party, any information received included but not limited to price changes, product costs, products that have yet to be released to the public.
- c. **Injunctive Relief.** The parties agree that any violation by Dealer of any of the proprietary rights or confidentiality restrictions set forth in this Section 9 could cause ATI irreparable harm without adequate remedy at law. ATI shall be entitled to seek injunctive relief against any such violation or intended violation by Dealer.

X. General Provisions.

- a. **Independent Contractors.** ATI and Dealer are independent contractors. Nothing contained in this Agreement shall be construed to
 - i. Give either party the power to direct and control the day-to-day activities of the other
 - ii. Constitute the parties as agents, partners, joint ventures, co-owners, or otherwise as participants in a joint or common undertaking
 - iii. Allow Dealer to create or assume any obligation on behalf of ATI for any purpose whatsoever
- b. **Indemnity.** Dealer shall be solely responsible for, and shall indemnify and hold ATI free and harmless from, any and all claims, damages, or lawsuits (including attorneys' fees) arising out of acts or omissions of Dealer, its employees or agents, and from any claims or liabilities arising out of or connected to any breach by Dealer of its obligations under this Agreement including, without limitation, any penalties, interest, attorneys' fees, and disbursements incurred by ATI or any person relying upon Dealer's obligations under this Agreement.

- c. **Governing Law.** The rights and obligation of the parties under this Agreement shall be governed by and construed under the laws of the State of Utah without reference to conflict of laws principles.
- d. **Entire Agreement.** This Agreement sets forth the entire agreement and understanding between the parties relating to the subject matter. No modification of or amendment to this Agreement shall be effective unless in writing signed by ATI. ATI may modify the terms upon 30 days prior notice given in a fax, letter, electronic mail, or other notice.
- e. **Force Majeure.** Nonperformance of either party (except for payment obligations) shall be excused to the extent that performance is rendered impossible by strike, fire, flood, act of God, governmental acts, failure of suppliers, or any other reason beyond the reasonable control of the non-performing party.
- f. **Non-assignability.** Dealer agrees that its rights and obligations under this Agreement may not be transferred or assigned directly or indirectly without the prior written consent of ATI.
- g. **Compliance with Laws.** Dealer shall comply with all laws and regulations applicable to Dealer with respect to (i) Products and (ii) the conduct of business generally. Non-compliance by Dealer or its employees or agents shall be deemed to constitute a material default under this Agreement justifying termination for default under Section 8 (c).
- h. **Arbitration.** Dealer agrees to settle any and all legal disputes in connection with this agreement through arbitration. Dealer acknowledges that by agreeing to arbitration, Dealer is waiving the right to jury trial. Dealer herewith subjects itself to arbitration in a jurisdiction foreign to its place of business, waives the right to file suit in a court of law, and waives the right to evidentiary and constitutional protections which accompany a jury trial.

XI. Dealer Discount Structure

a. ATI Steel Targets.

- i. Dealer will receive a **20%** discount off advertised MSRP on all orders with no minimum quantity or value required.
- ii. Dealer may negotiate for a higher discount on individual large orders, regardless of its current discount level, to be determined on a case-by-case basis.
- iii. ATI may adjust the discount structure at any time without prior notice to Dealer.
- iv. Products that are discontinued or put on clearance may not be eligible for the dealer discount.

b. Paper and Cardboard Targets.

- i. A "Dealer" is a customer who purchases a minimum of \$500 annually for the purposes of resale. Those that qualify are classified in one of 3 levels. Levels are determined by the total purchase volume during the previous calendar year. The attached Dealer Price List shows pricing by item at each level. The 3 levels and volume requirements are as follows:

Silver Level—Dealer with \$500-\$1,500 in annual purchase volume.

Gold Level—Dealer with \$1,500-\$8,000 in annual purchase volume.

Platinum Level—Dealer with \$8,000+ in annual purchase volume.

New dealers will start with Silver level pricing. For existing dealers levels are based on the prior year's purchase volume. A dealer can move up to a higher level as soon as the next threshold is met and will keep that designation throughout the year. Dealers are responsible for notifying ATI when they believe their spend meets the next pricing level. If the projected volume is not achieved, a dealer IS NOT moved down a level until the next calendar year.

IN WITNESS WHEREOF, parties have executed this Agreement on the date indicated below by their signatures.

Dealer Representative: _____

Signature: _____ Date: _____

ATI Representative: _____

Signature: _____ Date: _____

BUSINESS INFORMATION

Start Date of Business		Date Incorporated	
Tax ID #		State Tax Resale #	

BANK INFORMATION

Bank Name			
Bank Account #		Bank Account Type	

INSURANCE INFORMATION

Insurance Company Name		Policy Number	
Policy Limit		Policy Expiration Date	

COMPANY CONTACT INFORMATION

Work Phone		Fax	
Email		URL	

SHIPPING ACCOUNT INFORMATION

UPS Parcel Account #		FedEx Freight Account #	
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