



# Dealer Agreement

Quilter Sales Operations

Version: 1

March  
2013

## Quilter Laboratories, LLC – 2013 Dealer Agreement

This Agreement (hereinafter “Agreement”) is made by and between QUILTER LABORATORIES, LLC, a California Limited Liability Company (“QUILTER LABS”) and \_\_\_\_\_ (“Dealer”), a \_\_\_\_\_ (Type of business entity), whose principal place of business is located at \_\_\_\_\_.

### BACKGROUND

- QUILTER LABS is engaged in the business of designing, manufacturing, and selling high quality guitar and personal amplification products.
- QUILTER LABS desires to retain the services of Dealer to provide for the sales and promotion of QUILTER LABS products (“QUILTER LABS Product”);
- Dealer possesses the resources and capabilities to sell the QUILTER LABS Product and agrees to sell and promote QUILTER LABS Products according to the terms and conditions set forth herein.

QUILTER LABS hereby appoints Dealer as an authorized QUILTER LABS Dealer subject to the following terms and conditions:

### 1.0 APPOINTMENT OF DEALER

1.1 Dealer Locations. Dealer is authorized to sell QUILTER LABS Products only from the locations authorized in writing by QUILTER LABS and listed on the **Authorized Dealer’s Credit Application**. Dealer shall maintain its facility in a manner to maximize the sale of QUILTER LABS Products and will conduct its business in a manner consistent with QUILTER LABS’ brand image, customer service, and product quality.

1.2 Authorized Product Sales. Dealer is authorized to sell QUILTER LABS Products as listed on the **QUILTER LABS Product Authorization Form** to end users and/or to a QUILTER LABS Authorized Dealer. The term “QUILTER LABS Authorized Dealer” means a business entity with a valid state resale certificate engaged in the sale of audio-related products and has been authorized by QUILTER LABS to sell QUILTER LABS products and has signed a current dealer contract and other applicable agreements with QUILTER LABS. The term “End-user” means a business, group, entity, or person who uses QUILTER LABS products and is not a Reseller and does not intend to resell QUILTER LABS products to others.

### 2.0 E-Commerce

2.1 E-Commerce Defined Electronic commerce (herein “e-commerce”) means QUILTER LABS product sales over any electronic systems, including but not limited to the Internet, mobile devices or other computer networks.

2.2 Rights to Sell QUILTER LABS Products Electronically Dealer may domestically sell QUILTER LABS products online and through electronic means, subject to the terms of the Agreement, the terms below and QUILTER LABS policies. Dealer’s rights under this Addendum include the right to market and sell directly or through affiliates and/or related entities to end-users of the QUILTER

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LABS products, and to market, promote, advertise QUILTER LABS products defined in the Agreement.

QUILTER LABS Dealer by the new policies, agrees to comply with the spirit of all policies and programs and agrees to abide should changes be issued or amended at any time in connection with its products.

**2.3 Minimum Site Standards** Any portrayal of QUILTER LABS Products or reference to QUILTER LABS on Dealer's E-Commerce sites or devices, including third party marketplaces, meet the following requirements:

- a) All images or artwork depicting QUILTER LABS products, logos or trademarks must be supplied by or approved in writing by the QUILTER LABS Marketing Services Department.
- b) All descriptions of QUILTER LABS products must be accurate and complete, and may not contain any material misstatements or omissions, as detailed in the Federal Trade Commission's Acts against unfair or deceptive acts or practices.
- c) Dealer may only present and advertise products that it is authorized to sell, as listed on the QUILTER LABS Product Authorization Form, attached to the Agreement. QUILTER LABS reserves and retains the right to amend, revise or replace the QUILTER LABS Product Authorization Form at its discretion.
- d) Dealer agrees to only advertise products for which it carries a minimum of 30 days inventory on hand.

### 3.0 E-Commerce Dealer Obligations

**3.1 Dealer URLs and Online Alias** Dealer is authorized to promote QUILTER LABS products only from the e-commerce sites identified by listing the URL and Alias [on "Important Dealer Information" page] and approved in writing by QUILTER LABS. Any change or addition to the e-commerce site name(s) URL or Alias must be approved in writing by QUILTER LABS before QUILTER LABS products may be promoted under a new e-commerce site or online alias. **Products listed on an unapproved URL or Alias will be considered as unauthorized and an infringement of QUILTER LABS's Intellectual Property Rights.**

**3.2 E-Commerce Dealers** Any Dealer applying to become an e-commerce Dealer must meet and maintain the following minimum performance criteria:

- a. **Online Orders and Privacy** Dealer is authorized to allow consumers to directly purchase QUILTER LABS Products by electronic ordering procedures directly via Dealer's website or marketplace(s). QUILTER LABS encourages its Dealers to implement Privacy Policies and Procedures to protect the data of the end-user, however, QUILTER LABS shall not be liable for any breach of security or loss of end user data through Dealer's website.
- b. **Execution of Sales** In connection with the E-Commerce sale of QUILTER LABS Products, Dealer must provide all of the following: 1. secure, encrypted electronic ordering procedures 2. shipment of orders within three (3) business days of receipt of order, subject to availability of product and confirmation of customer's payment; 3. shipment of QUILTER LABS Products only addressed within the United States of America, and 4.

returns of Products only to shipping Dealer

- c. Customer Support; Product Returns Dealer shall provide customer support via email and telephone support Monday through Friday, during reasonable business hours and at least on one weekend day, for both pre-sale and post sale inquiries. Customer support staff shall be fully trained and knowledgeable on QUILTER LABS Products. As a part of Customer Support, Dealer shall accept Product returns under reasonable terms and conditions that may be established by Dealer and posted conspicuously on Dealer's website.
- d. Inventory Dealer authorizes QUILTER LABS, its Representatives or agents to physically inspect product available for sale on its website and provide inventory reports upon request.

3.3 Resale of Goods Merchandise manufactured or distributed by QUILTER LABS cannot be shipped to any third party outside the United States for consideration of any kind including sale, barter, trade or otherwise where Dealer knows or has reason to know that said third party intends to sell, trade, barter, or receive consideration of any kind for such Products without prior written approval from QUILTER LABS.

## 4.0 Intellectual Property Rights

### 4.1 License to use QUILTER LABS Intellectual Property on Approved URLs or Alias

QUILTER LABS extends to Dealer a royalty-free, revocable, non-exclusive, non-transferrable license of QUILTER LABS's trademarks and copyrighted materials created and distributed for the use by Dealer in connection with the promotion of QUILTER LABS and QUILTER LABS Products pursuant to the terms of the Agreement and this Addendum. This license is subject to the approval of Dealer's URLs or Alias described in "Important Dealer Information"

4.2 All uses of QUILTER LABS Intellectual Property must conform to QUILTER LABS's written guidelines on the nature and manner of use of trademarks. Dealer agrees to maintain the most current marketing materials, trademarks and literature on its e-commerce sites.

4.3 Dealer is solely responsible for constructing and maintaining its website so as not to infringe upon the intellectual property rights of others. QUILTER LABS shall not be liable for any infringing content on Dealer's website.

## 5.0 Map Policy

### Statement Policies

Term: Effective January 1, 2012 Quilter Laboratories, LLC (Hereafter Quilter Labs) is implementing a Minimum Advertised Price ("MAP") Policy.

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Advertisement: “Advertisement” includes but is not limited to pricing information disseminated via print media (catalog, direct mail, newspaper, magazine, handbills), broadcast media (radio, broadcast, cable or satellite television), Internet (website, banner ad, pay-per-click placements, online auction, instant messaging). A telephonic communication between the dealer and a prospective customer in response to a specific, unsolicited inquiry from the customer is not an “advertisement” within the scope of the MAP Policy.

Product Disposition: Products that are in a “New” disposition must meet advertising and Minimum Advertised Price guidelines as set forth in current QUILTER LABS price lists. “B Stock”, “C Stock”, “Demo”, “Sample” and “Used” products are not required to meet MAP guidelines. Any QUILTER LABS product that is not in “New” condition must be conspicuously identified with its appropriate and accurate disposition. Product disposition definitions are as follows:

5.1 “New” – QUILTER LABS Product in an authorized dealer’s inventory that has been purchased directly from QUILTER LABS. Product is in its original, sealed package and package labels have not been removed or defaced.

5.2 “B Stock” – QUILTER LABS Product that has been re-boxed by QUILTER LABS, and which has been purchased by the Dealer from QUILTER LABS as “B Stock.” Product that has been opened and re-boxed by the Dealer is not “B Stock.”

5.3 “C Stock” – QUILTER LABS Product that has been re-boxed by QUILTER LABS, which has cosmetic flaws that do not affect the performance of the Product, and which have been purchased by the Dealer from QUILTER LABS as “C Stock.” Product that is cosmetically damaged while in the possession of the Dealer and/or which is re-boxed by the Dealer, is not “C Stock.”

5.4 “Demo” – QUILTER LABS Product that has been removed from its original factory packing and has been placed on display in the Dealer’s retail showroom.

5.5 “Sample” – Product that has been provided to the Dealer or QUILTER LABS Rep by QUILTER LABS that has previously been used for sales demonstrations, training, displays, clinics, or any sales and marketing event, which has never previously been sold by the Dealer.

5.6 “Used” – All QUILTER LABS products that are not “New”, “B Stock”, “C Stock”, “Demo” or “Sample” fall into this category. These include, without limitation, products acquired from non-authorized dealers, regardless of the condition of the product or the product’s packaging.

Products that have been officially discontinued by Quilter Laboratories, LLC are not subject to the terms of this Agreement.

5.7 Pricing: Quilter Laboratories, LLC may amend or append its price lists at its sole discretion. QUILTER LABS and its representatives will make every effort to provide dealers with accurate and current pricing information. However, it is the obligation of each dealer to maintain current QUILTER LABS pricing information. QUILTER LABS will not be responsible for violations to this Policy in instances when dealer maintains inaccurate or obsolete price lists.

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5.8 MAP Compliance: Advertisements that are within \$1 of MAP comply with the MAP Policy. For example, if the MAP is \$499.95 for a product, an advertisement at \$499.00 would comply with MAP; an advertisement at \$495.00 would not.

5.9 Administration: QUILTER LABS will unilaterally administer the MAP Policy. Dealers are expressly requested not to forward to QUILTER LABS directly or indirectly, any information concerning alleged MAP violations by other dealers. Any such information that is forwarded to QUILTER LABS will be disregarded by QUILTER LABS.

5.9.1 Termination: Advertisement of any new QUILTER LABS Product at a price below MAP may result in termination by QUILTER LABS of the Dealer's authorization for the product, the product line, or complete termination by QUILTER LABS of the Dealer's authorization to sell QUILTER LABS products. Any action taken as a result of a MAP violation will be at the sole discretion of QUILTER LABS.

**\* Please See Map FAQ for guidelines at the end of this document**

## 6.0 DEALER OBLIGATIONS

6.1 Product Demonstration. Dealer must, at all of its locations selling the QUILTER LABS Product, at all times maintain a showroom or demonstration room where the QUILTER LABS Product can be displayed and demonstrated and at least one QUILTER LABS Product as a part of an operational system and have a minimum inventory (as provided herein) at that location.

6.2 Staff. Dealer maintains technically qualified personnel on staff and present during business hours to perform the services contemplated hereunder and who have full familiarity and knowledge of audio products, systems, and their installations.

6.3 Training. Dealer will cooperate with QUILTER LABS' programs and product training and will make appropriate personnel available from time-to-time, as QUILTER LABS may deem necessary for additional training regarding the QUILTER LABS Product.

6.4 Inventory. Dealer agrees to maintain the following minimum inventory requirements:

a. To purchase as part of its inventory an opening order of one (1) demonstration unit/pair per represented models of amplifiers and speakers and one (1) inventory unit/pair per represented models of amplifiers and speakers.

b. To maintain a minimum inventory one (1) unit/pair per represented models of amplifiers and speakers.

c. To make minimum annual purchases from QUILTER LABS as outlined on "Important Dealer Information". If Dealer does not satisfy the minimum purchases, QUILTER LABS reserves the right to cancel this Agreement.

6.5 Compliance With Laws. Dealer will at all times comply with all applicable governmental laws and regulations and Dealer will at no time engage in any unfair trade practice or make any false or misleading representation with regard to QUILTER LABS Product.

## 7.0 ORDERS AND SHIPMENTS

7.1 Order Procedures. Dealer shall order the Products from QUILTER LABS in accordance with QUILTER LABS' ordering procedures. All orders by Dealer are subject to acceptance in writing by QUILTER LABS.

7.2 Right to Reject Orders. QUILTER LABS shall have the right, in its sole discretion, to reject any order, in whole or in part. QUILTER LABS further shall have the right, at its option, to cancel any back orders, even if such orders have been accepted previously by acknowledgement, partial shipment, or otherwise.

7.3 Dealer Purchase Order Terms. QUILTER LABS hereby registers a continuing objection to any terms or conditions in Dealer's purchase orders or other forms which add to or vary the QUILTER LABS terms and conditions, and the same shall be of no force or effect, notwithstanding any failure by QUILTER LABS to communicate further objections thereto.

## 8.0 PRICE AND TERMS OF PAYMENT

8.1 Price. The price to Dealer for QUILTER LABS Products shall be set forth in **QUILTER LABS' Dealer Pricing Sheet** as modified from time to time by QUILTER LABS. QUILTER LABS, in its sole discretion, shall have the right to reduce or increase prices to the Dealer at any time without notice. Any updated and released Dealer Price Sheet shall automatically supersede any previous Dealer Price Sheet from the date of issuance.

8.2 Credit Terms. Upon credit approval for open credit terms, all payments for invoices are due to QUILTER LABS in full prior to or on the designated due date. Notwithstanding the foregoing, QUILTER LABS in its sole discretion reserves the right at any time and without prior notice to require payment in full for a submitted purchase order prior to shipment of any QUILTER LABS Product. Failure to pay all amounts due QUILTER LABS prior to or on the designated due date, shall constitute a default. QUILTER LABS shall be entitled to recoup all interest on the principal due at the rate of 1.5% per month as a penalty, collection agency costs and fees, all pre- and post-judgment costs and expenses, and attorney's fees incurred with or without suit, in connection with collection of any payments, and, QUILTER LABS shall be entitled to immediately cancel this Agreement and pursue all remedies to which QUILTER LABS may be entitled at law or under this Agreement.

8.3 Security Interest. Dealer hereby grants QUILTER LABS a security interest in and to all of Dealer's QUILTER LABS inventory delivered to Dealer by QUILTER LABS to secure performance by Dealer of all obligations under this Agreement and payment of all sums due QUILTER LABS under this Agreement including, but not limited to, amounts due on invoices, default charges, expenses, damages, and attorney's fees. Dealer will execute any documents required to perfect this security interest.

8.4 Offset. Subject to applicable laws, Dealer agrees that QUILTER LABS may offset against any other amounts QUILTER LABS may owe Dealer should any Dealer account balance become past due and payable.

8.5 Audit Rights. Dealer grants QUILTER LABS audit rights in order to verify that Dealer has received and has on file a valid resale or government agency certificate or other documents for all purchases made by other resellers. QUILTER LABS reserves the right to review all Point of Sale information attributable to sales of QUILTER LABS product. The Point of Sale information must include: model, quantity, city, state and zip code.

## 9.0 DELIVERY

9.1 Allocation. QUILTER LABS reserves the right to allocate its inventory of Products to all similarly situated Dealers in such a manner as it may, in its sole and absolute discretion, from time to time.

9.2 Availability. QUILTER LABS shall have the right at any time, to effect changes in or discontinue the sale of any of its Products without incurring any liability to the Dealer.

9.3 Best Efforts. QUILTER LABS shall endeavor to make deliveries to Dealer within a reasonable time in accordance with the accepted purchase orders from Dealer. Subject to applicable law, **QUILTER LABS shall not be liable to Dealer for any damages, incidental, consequential or otherwise, for failure to accurately enter purchase orders into system, accurately fill orders, delays in deliveries or any error in the deliveries.**

9.4 Cancellation of Orders. Dealer may cancel orders only if notice of cancellation is received by QUILTER LABS, in writing, at least forty-eight hours prior to shipment of the order. In the event that written notice of cancellation is not received by QUILTER LABS prior to shipment, then Dealer shall be fully responsible for payment of the QUILTER LABS Product shipped.

9.5 Delivered. QUILTER LABS Product shall be deemed “delivered” when QUILTER LABS has placed the QUILTER LABS Product in the possession of a common carrier and all risk of loss or damage in transit shall be borne by Dealer.

9.6 Receipt of Product. Upon receipt of shipment hereunder, Dealer shall inspect the Product under such shipment. Claims for damaged goods, shortages, incorrect materials or invoicing errors must be made by Dealer within ten (10) days after receipt of shipment. Claims for non-receipt of shipment must be made within ten (10) days after receipt of invoice.

## 10.0 LIMITED WARRANTY AND SERVICE

10.1 QUILTER LABS Warranty. Dealer shall not and is not authorized to extend any warranty for the QUILTER LABS Product other than the **QUILTER LABS Limited Warranty**, located at [www.quilterLabs.com](http://www.quilterLabs.com), in effect for any QUILTER LABS Product nor will Dealer make any false or misleading representations with regard to QUILTER LABS Product. Dealer will make no modification to any QUILTER LABS Product. The QUILTER LABS Limited Warranty is expressly conditioned that no modification to the QUILTER LABS Product be made by Dealer or purchaser.

10.2 Customer Data. Dealer will promptly forward to QUILTER LABS copies of all information concerning any charges and/or complaints involving the QUILTER LABS Product.



10.3 Service Center. Dealer may be eligible to become an Authorized Warranty Service Center for QUILTER LABS, subject to approval from QUILTER LABS' and agreeing to a separate Service Agreement. If Dealer receives a warranty claim covered by the QUILTER LABS Limited Warranty, Dealer will, if Dealer is an authorized warranty service center, repair or replace the QUILTER LABS Product. If Dealer is not an authorized warranty service center, Dealer will take such action as may be necessary to refer the purchaser of the QUILTER LABS Product to an authorized warranty service center for repair or replacement.

## **11.0 INTELLECTUAL PROPERTY**

11.1 Trademarks. Dealer is authorized to use QUILTER LABS trademarks and logos in accordance with the **QUILTER LABS Logo and Trademark Guidelines (Attachment 2)** for the following items: advertisements, posters, banners, point-of-purchase displays, clothing articles, labels, stickers, and business cards. Use of the logos in any other manner other than those specifically mentioned above is expressly prohibited unless prior written permission is granted by QUILTER LABS. Dealer recognizes and agrees to the following:

- a) "QUILTER LABS", "QUILTER LABS" and "QUILTER LABORATORIES, LLC" in block letters or logo format are owned by QUILTER LABS.
- b) Other than as set forth herein, Dealer is not authorized, nor shall Dealer use the name "QUILTER LABS", or any other product name or trademark in any manner, including but not limited to the title of Dealer's business. Dealer is authorized to use the phrase "factory authorized QUILTER LABS Dealer."
- b) Dealer shall not acquire any right, title or interest in names or trademarks owned or used and promoted by QUILTER LABS or in names or trademarks of the QUILTER LABS Product. Dealer shall be permitted only to make reference to the QUILTER LABS Product or QUILTER LABS in selling, advertising, and promoting the sale of the QUILTER LABS Product.

11.2 Domain Names. Dealer is not authorized to purchase or otherwise acquire an interest in any domain name containing QUILTER LABS trademarks or product names. Should Dealer wish to use a domain name using QUILTER LABS' trademarks or product names to promote QUILTER LABS Products, Dealer will request permission from the Director of QUILTER LABS' Marketing Services Department. If approved, QUILTER LABS will purchase the domain name and authorize the Dealer to control the content. Should Dealer acquire any right or ownership in a domain name related to QUILTER LABS trademarks or products, Dealer agrees to transfer ownership to QUILTER LABS.

11.3 Confidential and Proprietary Information. QUILTER LABS will provide Dealer with valuable technical and non-technical information regarding QUILTER LABS, QUILTER LABS Product and QUILTER LABS customers. All such information is proprietary and belongs solely to QUILTER LABS. As a result thereof, Dealer hereby acknowledges the proprietary nature of said information and further agrees that it shall not, during the term of this Agreement, nor at any time, disclose said information to third parties, nor utilize said information for its own benefit other than to comply with the terms, conditions and intent of this Agreement.

11.4 Irreparable Harm for Breach of Confidentiality. Dealer hereby acknowledges and agrees that damages resulting from a breach of confidentiality would be extremely difficult to calculate, and would cause great irreparable harm to QUILTER LABS. In that regard, Dealer hereby agrees to submit to and be bound by temporary restraint order, preliminary and permanent injunction restraining it

from disseminating and/or using any and all information disclosed to them under this Agreement. The remedies set forth herein are in addition to any and all other remedies available to QUILTER LABS in law and equity.

## **12.0 TERM AND TERMINATION**

**12.1 Term.** This Agreement shall be effective upon the date specified by QUILTER LABS on the last page of this document and shall continue in full force until terminated by either party as specified below:

- a) This Agreement may be terminated immediately for cause in the event of any default or breach of this Agreement by either party. Termination by either party shall be effective immediately upon receipt of notice of termination.
- b) Subject to applicable laws, either party may terminate this Agreement without cause upon thirty (30) days written notice to the other. Each party acknowledges that such period is adequate to allow it to take all actions required to adjust its business operations in anticipation of termination.
- c) QUILTER LABS may terminate this Agreement effective immediately and without the requirement of any notice in the event that Dealer shall liquidate or terminate its business, be adjudicated bankrupt, make an assignment for the benefit of creditors, or be subject to any proceedings by or against Dealer under any bankruptcy, reorganization, rearrangement, re-adjustment or debt, or moratorium law or statute.

**12.2 Responsibilities Upon Termination.** Upon termination, Dealer shall:

- a) discontinue any and all use of trademarks and trade names of QUILTER LABS, including use in advertising, websites or business materials of Dealer;
- b) remove or obliterate any and all signs which designate Dealer as an authorized dealer or warranty service center for the QUILTER LABS Product or which include any trademark or trade name of QUILTER LABS;
- c) notify and instruct publications and others who may list or publish Dealer's name as an authorized QUILTER LABS dealer or warranty service center, including telephone directories, yellow pages, internet providers, and other business directories, to discontinue such listings of Dealer as an authorized QUILTER LABS dealer or warranty service center; and
- d) return to QUILTER LABS all promotional literature and materials, including point of purchase materials and displays provided to Dealer by QUILTER LABS and remove all hypertext links to the QUILTER LABS website.

**12.3 Right to Repurchase.** Upon termination of this Agreement, QUILTER LABS shall have the option to re-purchase from Dealer any or all of the QUILTER LABS Product in Dealer's inventory at the net invoice price at which such QUILTER LABS Product was originally purchased by Dealer from QUILTER LABS, less any discounts and allowances which QUILTER LABS may have given to Dealer for such QUILTER LABS Product and QUILTER LABS' reasonable costs for handling and processing. Within ten (10) days after termination, Dealer shall provide QUILTER LABS an inventory list of the QUILTER LABS Product and allow a representative of QUILTER LABS to inspect the same. This option may be exercised by written notice to Dealer within thirty (30) days after effective date of termination or within (30) days after the date QUILTER LABS receives a list of Dealer's inventory of the QUILTER

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LABS Product, whichever is later. Within ten (10) days after QUILTER LABS gives notice to Dealer of QUILTER LABS' election to re-purchase, Dealer shall deliver the re-purchased QUILTER LABS Product to QUILTER LABS at Dealer's sole cost and expense. In the event QUILTER LABS does not exercise the option granted by this subparagraph, then Dealer may sell the remaining inventory of the QUILTER LABS Product provided such sales are made in accordance with this Agreement.

**12.4 Termination of Service Center.** In the event the Dealer is an authorized QUILTER LABS warranty service center at the time this Agreement is terminated, termination of this Agreement shall also terminate Dealer as an authorized warranty service center. Dealer shall not thereafter represent itself as an authorized warranty service center.

**12.5 Outstanding Invoices Due.** Termination of this Agreement by QUILTER LABS for cause shall automatically accelerate the due date of all invoices for the QUILTER LABS Product to the effective date of termination.

**12.6 Limitation of Damages Due to Termination.** Neither QUILTER LABS nor Dealer shall be liable to the other because of the termination of this Agreement (regardless of the circumstances of termination), for compensation, reimbursement or damages of any kind, including damages on account of loss of prospective profits or on account of expenditures, investments, leases or any other types of commitments made in connection with the business of either of them other than as set forth in this Agreement.

## 13.0 GENERAL TERMS

**13.1 Notice.** All notices, requests, demands, or other communications that are required or may be given pursuant to the terms of this Agreement shall be in writing, addressed to the parties at the addresses set forth on the first page of this Agreement (or to such other address that may be designated by the receiving party from time to time in accordance with this section) and shall be deemed to have been duly given: 1. on the date of delivery if personally delivered by hand 2. on the third Business Day after such notice is deposited in the United States mail, if mailed by registered or certified mail, postage prepaid, return receipt requested; 3. on the following Business Day after such notice is sent by a nationally recognized overnight express courier; or 4. upon written confirmation (including automatic confirmation that is received from the Recipient's facsimile machine) of receipt by the recipient of such notice if delivered by facsimile.

If to QUILTER LABS: QUILTER LABORATORIES, LLC

ATTN: Corporate Counsel  
1700 Sunflower Ave Ste A  
Costa Mesa, CA 92626  
Fax: (714)242-6900

If to Dealer: Please fill out legal contact info on "Important Dealer Information" page.

Each party shall make an ordinary, good faith effort to ensure that it will accept or receive notices that are delivered in accordance with this Section, and that any person to be delivered notice actually receives such notice. A party may change or supplement the address(es) given above, or designate additional addresses, for purposes of this Section by giving the other party written notice of the new address in the manner set forth above.

**13.2 Governing Law, Jurisdiction and Arbitration.** This Agreement shall be governed in all respects by, and construed in accordance with, the laws of the State of California, without giving application to any conflict of laws provisions that might require the application of the law of another jurisdiction. Other than disputes regarding payment by Distributor to QUILTER LABS, which disputes are specifically excluded from the arbitration provision, any claim or controversy between the parties arising out of this agreement shall be submitted to the American Arbitration Association for arbitration in Orange County, California pursuant to its rules governing commercial arbitration. The cost of the arbitration, including any American Arbitration Association administrative fee, the arbitrator's fee, and costs for the use of the facility during the hearings shall be borne equally by the parties to the arbitration subject to the award of the arbitrator. The provisions of sections 1282.6, 1283 and 1283.05 of the *California Code of Civil Procedure* shall apply to the arbitration. The arbitrator shall not have any power to alter, amend, modify or change any of the terms of this agreement nor to grant any remedy which is either prohibited by the terms of this agreement, or not available in a court of law. The decision of this arbitrator shall be final and binding on all parties and may be enforced by the Superior Court of California, County of Orange. As such, the parties acknowledge that they are waiving their right to have a claim or controversy submitted to a court for trial by court or jury and further waive their right to appeal the award of the arbitrator other than limited rights of appeal, as set forth in the *California Code of Civil Procedure*. The prevailing party in such action shall be entitled to recover all costs and attorney's fees as determined by the arbitrator.

**13.3 Severability.** If any term or provision of this agreement is held to be unenforceable for any reason, it shall be modified rather than voided, if possible, in order to achieve the original intent of the parties hereto as closely as possible. In any event, all other terms and provisions of this agreement shall remain in full force and effect.

**13.4 Assignment.** No party hereto may assign, by operation of law or otherwise, all or any portion of its rights, obligations, or liabilities under this Agreement without the prior written consent of the other parties hereto; provided that QUILTER LABS may assign its rights, obligations, or liabilities under this Agreement to a direct or indirect wholly owned affiliate of QUILTER LABS provided that no such assignment shall relieve Distributor of its obligations under this Agreement. Any attempted assignment in violation of this Section shall be void. Subject to the foregoing, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by, the parties hereto and their respective successors and permitted assigns.

**13.5 Amendment and Waiver.** This Agreement cannot be modified or amended except by a writing signed by all the parties hereto. QUILTER LABS issuance or amendment of its policies act as a valid amendment to this Agreement. Waiver of any default or breach of this Agreement or of any warranty, representation, covenant or obligation herein shall not be construed as a waiver of any subsequent default or breach.

**13.6 Counterparts and Signatures.** The parties agree that this Agreement may be executed in counterparts and/or by a digital or electronic signature, all of which shall be deemed an original signature and all of which shall together constitute one and the same document. The digital signatures of the parties included in this contract are intended to authenticate this writing and to have the same force and effect as the use of manual signatures.

**13.7 Entire Agreement.** This Agreement, including the attachments and schedules delivered pursuant to this Agreement and the documents delivered pursuant to this Agreement contain all of the terms and conditions agreed upon by the Parties relating to the subject matter of this Agreement and supersede all prior agreements, negotiations, correspondence, undertakings, and

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communications of the Parties, whether oral or written, respecting the subject matter hereof. Unless otherwise specifically agreed by QUILTER LABS in writing, all transactions between QUILTER LABS and Dealer relating in any manner to this agreement or the Products shall be governed entirely by the terms of:

- a. The Agreement
- b. Any separate security agreement(s) executed by the parties;
- c. QUILTER LABS invoices and order acceptances; and
- d. Credit applications and other documents generated by QUILTER LABS' credit division.

13.8 Absence of Litigation. Distributor represents and warrants that there is no action, suit, proceeding, claim or investigation pending, or to the best of Distributor's knowledge, threatened against, by or affecting Distributor or the Products or products competitive with the Products in any court, or by or before any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, or before any arbitrator of any kind which, if adversely determined, might adversely affect QUILTER LABS, the Products or Distributor or result in a breach of this Agreement or restrict Distributor's ability to perform its obligations hereunder. Distributor further represents and warrants that it knows no basis for any such action, suit, claim, investigation or proceeding.

13.9 Authorization. The person executing this Agreement represents to QUILTER LABS that he or she has full authority to execute this Agreement on behalf of Distributor.

13.10 Rescission of previous Agreements. Upon execution of this Agreement by Distributor, any previous Dealer Agreement between Distributor and QUILTER LABS is hereby rescinded. Distributor may not act in the capacity of a QUILTER LABS Retail or Systems Dealer unless otherwise agreed and confirmed in a current separate agreement by QUILTER LABS.

13.11 Force Majeure. No party shall be liable or responsible to the other party, nor be deemed to have defaulted under or breached this Agreement, for delay or failure to perform any obligation under this Agreement if the delay or failure is caused by any circumstance beyond such party's reasonable control, including, but not limited to acts of God, war, civil unrest, and government order or law.

13.12 Third Party Beneficiaries. No provisions of this Agreement are intended, nor shall be interpreted, to provide or create any third party beneficiary rights or any other rights of any kind in any client, customer, employee, affiliate, stockholder, partner, or any other person unless specifically provided otherwise herein and, except as so provided, all provisions hereof shall be personal solely between the parties to this Agreement.

13.13 Dealer Ownership. QUILTER LABS has executed this Agreement in reliance upon the present ownership, control, and management of Dealer. The Agreement is neither assignable nor transferable and any change in ownership or direct or indirect control or management of Dealer, without prior written approval of QUILTER LABS, shall be cause for immediate termination of this Agreement by QUILTER LABS.

13.14 Independent Status. It is hereby expressly agreed and understood that Dealer is an independent contractor and is not an employee under the control of QUILTER LABS. Nothing herein

**Quilter Laboratories, LLC – 2013 Dealer Agreement**

shall be construed as creating a partnership, joint venture, employer-employee relationship or any relationship other than that of independent contractor.

**Quilter Laboratories, LLC – 2013 Dealer Agreement**

IN WITNESS WHEREOF, the parties have executed this Agreement in one or more counterparts which, taken together, shall constitute one Agreement, which shall be effective as of and on the last date set forth.

**QUILTER LABORATORIES, LLC**

DATED (“Effective Date”): \_\_\_\_\_

By: \_\_\_\_\_  
(Signature)

Its: \_\_\_\_\_  
(Title)

**DEALER:** \_\_\_\_\_  
**(Legal Company Name of Dealer)**

DATED: \_\_\_\_\_

By: \_\_\_\_\_  
(Signature – Owner/Officer)

Its: \_\_\_\_\_  
(Title)

**IMPORTANT! PLEASE FILL OUT ALL THE INFORMATION ON THE “IMPORTANT DEALER INFORMATION” PAGE**

## Important Dealer information

### Dealer Name

Address 1  
Address 2  
City  
State  
Zip  
Country

### Contact Information

#### Owner/Principal

Phone:  
Fax:  
Email

#### Accounts Payable

Phone:  
Fax:  
Email

### Legal Contact ( if different than above)

Name:  
Phone:  
Fax:  
Email

### Resale Cert #

### Website

### Annual Minimum



## Policies and Guidelines

### License of Quilter Labs, LLC Logo to Dealers and Distributors

The attached logos are the property of Quilter Labs, LLC("QUILTER LABS") but may be used by QUILTER LABS Dealers and Distributors in good standing in accordance with the terms and conditions set forth below. Use of one or more of the logos shall constitute consideration for, agreement to, and acceptance of the following terms and conditions of this license by the user:

The attached logos are the sole and exclusive property of QUILTER LABS. These logos may be used only by QUILTER LABS Dealers and Distributors in good standing if and only if such use is made pursuant to the terms and conditions of this limited and revocable license. Any failure by a user to comply with the terms and conditions contained herein may result in the immediate revocation of this license, in addition to any other sanctions imposed by QUILTER LABS. The interpretation and enforcement (or lack thereof) of these terms and conditions, and compliance therewith, shall be made by QUILTER LABS in its sole discretion.

As set forth on the Attachment, the logos are made available to QUILTER LABS Dealers and Distributors in good standing in camera-ready, printed form in color and/or black via electronic means. The logos may not be revised or altered in any way, and must be displayed in the same form as produced by QUILTER LABS. The logos are a single color. Do not add to, remove from, or in any way alter the logo.

The logos may be used in a professional manner on the user's business cards, stationery, literature, advertisements, storefront window, Web site, or in any other comparable manner to signify the authorized dealership for QUILTER LABS. Notwithstanding the foregoing, the logos may not be used in any manner that, in the sole discretion of QUILTER LABS: discredits QUILTER LABS or tarnishes its reputation and goodwill; is false or misleading; violates the rights of others; violates any law, regulation or other public policy; or mischaracterizes the relationship between QUILTER LABS and the Dealer or Distributor, including but not limited to any use of the logos that might be reasonably construed as an endorsement, approval, sponsorship, or certification by QUILTER LABS of the Dealer or Distributor, the Dealer or Distributor's business or organization, or the Dealer or Distributor's products or services, or that might be reasonably construed as support or encouragement to purchase or utilize the Dealer or Distributor's products or services.

Use of the logos shall create no rights for Dealer or Distributor in or to the logos or their use beyond the terms and conditions of this limited and revocable license. The logos shall remain at all times the sole and exclusive intellectual property of QUILTER LABS. QUILTER LABS shall have the right, from time to time, to request samples of use of the logos from which it may determine compliance with these terms and conditions. Without further notice, QUILTER LABS reserves the right to prohibit use of the logos if it determines, in its sole discretion, that a Dealer or Distributor or any User's logo usage, whether willful or negligent, is not in strict accordance with the terms and conditions of this license, otherwise could

discredit QUILTER LABS or tarnish its reputation and goodwill, or the user is not an QUILTER LABS member in good standing.

Any questions concerning use of the logos or the terms and conditions of this license should be directed to the QUILTER LABS Director of Marketing by calling (714)519-6114 or emailing [info@quilterlabs.com](mailto:info@quilterlabs.com).

To obtain a copy of the Quilter Guitar Amplifiers Logo, please email [info@quilterlabs.com](mailto:info@quilterlabs.com)

The logo features the word "Quilter" in a large, bold, black serif font with a distinctive flourish on the tail of the letter 'Q'. To the right of "Quilter" is a small "TM" trademark symbol. Below "Quilter" is the text "Guitar Amplifiers" in a smaller, bold, black sans-serif font.

**Quilter**™  
**Guitar Amplifiers**

## MAP Guidelines/FAQ's

QUILTER LABS has prepared the following Frequently Asked Questions, the answers to which explain the MAP Policy in greater detail and provide guidelines to QUILTER LABS authorized dealers:

Q: Is QUILTER LABS requiring dealers to agree to advertise at or above MAP?

A: No. QUILTER LABS has determined on its own to implement the MAP policy. Dealers remain free to advertise, and to sell QUILTER LABS products at whatever prices they believe are appropriate. QUILTER LABS is advising dealers that there are certain consequences that will result from advertising that violates the MAP Policy.

Q: How will MAP apply to advertisements that feature more than one QUILTER LABS product subject to MAP?

A: Where two or more QUILTER LABS products covered by MAP are advertised for a single price, the advertised price must be no lower than the sum of the Minimum Advertised Price for the individual products.

Q: What if I package a QUILTER LABS product with another manufacturer's product, not subject to the QUILTER LABS MAP Policy?

A: The terms of this policy only provide MAP guidelines for QUILTER LABS products. Your responsibilities to other manufacturers are not covered by this Policy.

Q: How does MAP apply to advertisements that do not show prices?

A: Advertisements that do not show prices are not covered by this Policy.

Q: Can I use "Call for Price" in my advertising?

A: "Call for Price" may only be utilized in instances where the product's MAP is not published in the same ad. For instance, a published retail or MSRP price may be posted and "crossed out" in favor of encouraging a customer to "Call for Price". However, publishing the QUILTER LABS MAP price AND "Call for Price" together, indicating that a better price than MAP may be obtained in this manner is a violation of this Policy.

Q: How about automated "Quick-Quote" or auto-response E-Mail quotations?

A: These are treated in the same manner as "Call for Price". Additionally, the resulting quotation is subject to MAP.

Q: A prospective customer called me on the telephone, and we have discussed your products. She then asks me for a faxed or E-Mailed quotation. Can the quoted prices be below MAP?

A: Yes, provided you and the prospective customer have first had the required live telephone conversation.

Q: On my website, I use an “add to cart” feature, which then shows the price. Can I continue to show pricing in this manner?

A: “Add to Cart” is acceptable but is subject to MAP.

Q: Are all QUILTER LABS products subject to MAP?

A: Any QUILTER LABS product for which an MAP price is published is subject to MAP. Other QUILTER LABS products may maintain pricing restrictions in addition to, or in place of MAP. It is the obligation each dealer to maintain up to date pricing and resale information.

Q: What about closeouts and discontinued merchandise?

A: Closeout product is covered under this MAP policy until such date that said product is officially discontinued by QUILTER LABS. Discontinued product does not fall under this Policy.

Q: What about “used”, “demo” and “sample” products?

A: “Used” “Demo” and “Sample” products, as defined in this Policy, are not subject to MAP. Any advertisement of other than new products however must clearly identify the product by its true disposition. This is not a MAP issue, but an issue of deceptive advertising covered by other laws and regulations. Deceptive advertisements may result in termination of dealers for violation of Section XII of QUILTER LABS’s Authorized Dealer Agreement. Do not use a “New Other (see details)” disposition if you are selling on Ebay. This would be a violation. Say that it is used so there is no question.

Q: Why can’t a dealer discuss MAP issues with its QUILTER LABS Rep?

A: QUILTER LABS’s MAP Policy is administered exclusively by QUILTER LABS Products, Inc.. Its independent rep firms and their agents are not authorized to represent QUILTER LABS.

Q: What recourse does a dealer have when it received a notice of violation?

A: An initial notice letter will inform the dealer that it has a set time (usually 10 calendar days) to provide QUILTER LABS with any written information that it believes QUILTER LABS should consider before sanctions are imposed. Such information should be limited to (a) an explanation of why, in the dealer’s view, the advertisement does not violate the MAP Policy, or (b) why the violation that did occur was beyond the control of the dealer, in which case supporting documentation (in the form of a statement from the party at fault) should also be provided. QUILTER LABS will inform the dealer, in writing, whether, on the basis of information provided, there is any basis for not imposing a sanction. Absent convincing evidence, dealers should assume that a sanction for a MAP violation would be imposed automatically.

**Quilter Laboratories, LLC – 2013 Dealer Agreement**

Dealer's Legal Corporate Identity

Name Title Date

Web Site Name:

Web Site URL: