

THIS DEALER AGREEMENT (“Agreement”) is entered into effective this \_\_\_\_\_ day of \_\_\_\_\_, 2012, by and between ZODIAC PAINTBALL, INC., A Nevada Corporation (“Zodiac paintball, Inc.”) and,

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(“Dealer”).

**1. Dealer.** Zodiac Paintball, Inc. hereby appoints Dealer, as non-exclusive Dealer of Zodiac Paintball, Inc. products (e.g.), etc. collectively, the “Products”). Zodiac Paintball, Inc. reserves the rights to decline doing business with any entity that does not have a paintball-specific state business license or does not have a Nevada Resale Tax Number to avoid a 7.750% state/usage tax. Zodiac Paintball, Inc. also reserves the right to decline doing wholesale business with any Dealer who does not comply with the Agreement as outlined herein.

**2. Order Requirements/Sale to Dealers.**

**2.1** After Dealer’s status as an “Authorized Dealer” is established in writing by Nevada, Dealer must purchase and take delivery of a minimum initial order of Products in the amount of Eight Hundred and Five-Hundred Dollars (\$850). Dealer must maintain assortment and representation at the beginning of each delivery cycle to maintain Authorized Dealer status. Dealer shall not sell or distribute Products to any entity for the purpose of that entity’s resale of Products, including but not limited to, any unauthorized URL addresses, retail stores, swap meets, flea markets, Internet auction sites or any individual or entity that intends to resell Products without the prior written consent of authorized representatives of Zodiac Paintball, Inc. (i.e., President, Vice President or Sales Manager).

**2.2** All orders placed with Zodiac Paintball, Inc. by the Dealer for Products shall constitute an offer to Zodiac Paintball, Inc., under the terms and conditions of this Agreement, subject to availability of the Products and to acceptance of the order by Zodiac Paintball, Inc. authorized representative.

**2.3** All orders accepted and Products supplied subject to the express terms and conditions of this Agreement only. No amendment to this Agreement will be valid unless confirmed in writing on or after the date of this Agreement by Zodiac Paintball, Inc. authorized representative.

**2.4** Existing dealers must maintain minimum annual wholesale volume of \$2,500 per year in order to maintain wholesale account privileges.

**2.5** In order to coordinate any advertising or promotional or marketing campaign with sales of Zodiac Paintball, Inc. products, Retailer agrees to utilize any available literature, point of purchase displays and fixtures, posters, banners, etc. agreed upon between the Retailer and Zodiac Paintball, Inc. to enhance customer awareness and the image of the product.

**2.6** Zodiac Paintball, Inc. prices are subject to change at any time.

**3. Logo.** Dealer shall not use any Zodiac Paintball, Inc. logos, trademarks, photographs, artwork, or copy in any advertising media without Zodiac Paintball, Inc. prior written consent. Dealer may only use logos, trademarks, photographs, artwork, videos and copy provided by Zodiac Paintball, Inc. to Dealer. Zodiac Paintball, Inc. must approve in writing in advance Dealer’s use of Zodiac Paintball, Inc. logos, trademarks, photographs, artwork, and copy.

**4. Freight/Back Orders.** All freight and handling charges are calculated and added to the invoice total. Zodiac Paintball, Inc. will ship back orders automatically as Products become available and

Dealer will be liable for payment on any back orders unless Zodiac Paintball, Inc. receives Dealer's cancellation prior to Zodiac Paintball Inc., shipment of same.

**5. Claims.** Dealer must make any claim for defective Products within ten (10) days after the invoice date. Title of merchandise passes to the Dealer upon common carrier's receipt of merchandise to be shipped to Dealer. Damaged or lost goods are the sole responsibility of the common carrier/transportation company. Dealer should immediately file claims for damaged or lost goods with the common carrier/transportation company.

**6. Payment Terms.** Zodiac Paintball, Inc. shall deliver all Products F.O.B. from Zodiac Paintball Inc. All orders are shipped COD (Cashier's Check or Money Order) or are charged to a credit card, unless Dealer has established credit terms or Company Check approval with Zodiac Paintball, Inc. Dealer's company checks are accepted only when Dealer meets Zodiac Paintball Inc. credit qualifications. If a Dealer check is returned for "insufficient funds," Zodiac Paintball Inc., will place Dealer on NO SHIP status and charge Dealer a \$35.00 returned check fee. Dealer agrees to pay all costs of collection, including reasonable attorneys' fees, incurred by Zodiac Paintball, Inc. as a result of Dealer's failure to make timely payment. Payments from foreign countries must be made in US dollars (\$) and Zodiac Paintball, Inc. will supply its bank routing information upon receipt of an order. Shipments to foreign countries will be shipped freight collect. All prices quoted are FOB.

**7. Open Account.** Open terms of Net 15 or Net 30 from the date of shipment are offered to Dealers who meet Zodiac Paintball Inc. credit requirements. Zodiac Paintball, Inc. will charge past due accounts 21% per annum or the maximum legal rate, whichever is less, and place such accounts on COD/Cash Only or no-ship status until account is current.

**8. Minimum Advertised Pricing/Price Changes.** Dealer must comply with the Minimum Advertised Pricing set forth in the most current price list. Upon any failure to comply, Dealer will immediately lose all Dealer privileges either permanently or temporarily at the discretion of Zodiac Paintball, Inc. management. All prices are subject to change without notice. Invoices will reflect current net prices. Minimum Advertised Price policy pertains to and includes advertising and/or advertising for sale through print, mail order, websites, Internet, auction site, direct telemarketing, and any other means of selling Zodiac Paintball Inc. product.

**9. Returns.** All merchandise returns require Zodiac Paintball, Inc. pre-approval and a return authorization number. Zodiac Paintball, Inc. will refuse any returns received without an authorization number. All returns must include a copy of the invoice and a letter of explanation. All merchandise returned for exchange must be within ten (10) days after the invoice date and must contain all original packaging. Sale or discounted merchandise is non-returnable. A 20% re-stocking fee at invoiced prices is applied to all returned merchandise, unless Dealer makes a direct exchange. Zodiac Paintball, Inc. does not sell on a consignment basis. Returns of new, non-defective merchandise are not allowed. Items shipped by Zodiac Paintball, Inc. in error are not subject to restocking fees. Dealer will receive credit for returns unless merchandise is returned for exchange. Dealer forfeits all unused credit one (1) year after credit balance is established.

**10. Displays.** Dealer agrees that any displays and/or point-of-purchase materials are Zodiac Paintball, Inc.'s property and Dealer agrees to use any such materials for Zodiac Paintball, Inc. Products only. Dealer shall promptly return any such materials to Zodiac Paintball, Inc. upon termination of this Agreement or upon Zodiac Paintball, Inc. reasonable request.

**11. Products.** The Dealer acknowledges that Zodiac Paintball, Inc. is the owner of, and has exclusive rights to the Intellectual Property Rights in the Products. For the purposes of this clause, "Intellectual Property Rights" shall mean "all know-how, patents and inventions (whether patented, patent able or not), and all trade marks (whether registered or not and including goodwill), copyrights, design rights (whether registered or not) and all applications for any of the foregoing,

arising for the full term and including all renewals, revivals and extensions and protection of a similar and/or like nature wherever in the world. Except for its right to resell Products as provided herein, the Dealer shall not acquire any rights or interest in the Products by reason of this Agreement and will not dispute or take any action inconsistent with any of Zodiac Paintball, Inc. rights in the Products.

**12. Warranty.** Zodiac Paintball Inc. agrees to replace or repair, within thirty (30) days after the purchase date, any Products that are defective in materials and workmanship. Proof of purchase must accompany any warranty claims and items returned on a warranty claim must be thoroughly cleaned before shipment to Zodiac Paintball, Inc. This warranty is in lieu of all other warranties, expressed or implied, including without limitation, any implied warranty of merchantability or fitness for a particular purpose and all other obligations or liabilities of Zodiac Paintball, Inc. to Dealer. In no event shall Zodiac Paintball, Inc., or any manufacturer providing Products to Zodiac Paintball, Inc. be liable to Dealer or any third party for consequential or special damages.

**13. Agreement Termination.** Either party, with or without cause, may terminate this Agreement with five (5) business days prior written notice to the other party. Upon termination, Dealer shall pay for all Products received by Dealer, and Dealer shall immediately discontinue use of any Zodiac Paintball, Inc. logos, trademarks, photographs, artwork, and copy. Unless specified otherwise, all Dealer Agreement obligations shall survive the termination of this Agreement.

#### **14. Miscellaneous.**

**14.1 Indemnity.** Dealer shall indemnify, defend, and hold harmless Zodiac Paintball, Inc. from and against any and all claims, loss, and costs including reasonable attorneys' fees, (a) arising out of or in any way related to Dealer's action as Dealer hereunder and (b) any claims, demands, liabilities or expenses, including reasonable attorneys' fees, incurred by Zodiac Paintball, Inc. arising out of or based upon the operation or use of the Products with any hardware, products, programs or data not supplied or approved in writing by Zodiac Paintball, Inc. or the modification of the Products by Dealer or anyone to whom Dealer sells the Products.

**14.2 Liability.** Zodiac Paintball, Inc. shall not be liable, in contract, tort (including negligence) or for breach of statutory duty or in any other way for: (1) any economic loss, loss arising from or in connection with loss of revenues, profits, contracts or business or failure to realize anticipated savings; (2) any loss of goodwill or reputation; or (3) any indirect or consequential losses in any case whether or not such losses were within the contemplation of the parties at the date of this Agreement, suffered or incurred by the Dealer arising out of or in connection with this Agreement.

**14.3 Attorneys' Fees.** In the event of any legal action, arbitration or other proceeding brought by either party for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, then the prevailing party shall be entitled to recover reasonable attorneys' fees and other costs incurred, in addition to any other relief to which it may be entitled.

**14.4 Arbitration.** If a dispute arises out of or relates to this Agreement, or the breach thereof, the parties agree to binding arbitration to resolve such disputes as follows: The party requesting arbitration shall do so by written notice to the other party/parties. The arbitration shall be held in the City of Las Vegas, County of Clark, State of Nevada, and conducted in accordance with the rules of the American Arbitration Association under its Commercial Arbitration Rules, before one (1) arbitrator selected in accordance therewith. The parties will make all reasonable attempts to facilitate an efficient and effective arbitration process and will abide by and perform any award rendered by the arbitrator. The parties agree the award may be entered as a judgment in any court having jurisdiction, or application may be made to such court for a judicial acceptance of the award and an order of enforcement. Nothing shall limit the right of any party to this Agreement to seek judicial equitable relief, or other equitable relief available to it under applicable statutory and/or

case law including, but not limited to, injunctive relief. The parties agree the arbitrators shall give effect to the substantive law of the State of Nevada, including but not limited to conflicts of law provisions, statutes of limitation, and matters pertaining to the validity of this arbitration clause. In determining matters submitted to arbitration, the Federal Arbitration Act (Title 9 U.S.C.) will supersede the laws of such State and govern. The parties agree the duty to arbitrate disputes extends beyond the date of the expiration or termination of this Agreement, and beyond the date of the fulfillment of any repayment obligations of any party.

**14.5 Unenforceability.** The provisions of this Agreement are independent of and separable from each other. In the event any of the provisions of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, the validity, and enforceability of the remaining provisions shall not be affected. This Agreement shall be governed by the laws of the State of Nevada without application of Nevada choice-of-law principles.

**14.6 Confidentiality.** Each party undertakes it will not at any time use, divulge or communicate to any person, except its professional representatives or advisers or as may be required by law or any legal or regulatory authority, any confidential information concerning the business or affairs of the other party which may have or may in future come to its knowledge. Each of the parties shall use its reasonable endeavors to prevent the publications or disclosure of any confidential information concerning such matters.

**14.7 Waiver.** A failure to exercise or delay in exercising a right or remedy in connection with this Agreement shall not constitute a waiver of any right or remedy. A waiver of a breach of this Agreement shall not constitute a waiver of any other breach of this Agreement.

IN WITNESS WHEREOF the Parties have duly executed this Agreement this \_\_\_\_ day of \_\_\_\_\_ 2011.

**ZODIAC PAINTBALL, INC., DEALER**

A Nevada Corporation

Signature: \_\_\_\_\_ Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_ Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_ Date: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_

Address: Zodiac Paintball's, Inc. Address: \_\_\_\_\_  
5224 Westleigh Ave \_\_\_\_\_  
Las Vegas, NV 89146 \_\_\_\_\_

Account Type: (check all that apply)  
Retail Store \_\_\_\_\_  
Wholesale \_\_\_\_\_  
Mail Order \_\_\_\_\_  
Internet \_\_\_\_\_

\_\_\_\_\_  
(List all url's/sites operated by dealer)  
Export \_\_\_\_\_

**PERSONAL INFORMATION**

Name of Individual or Company ("Buyer/Applicant") \_\_\_\_\_  
Trade or DBA: \_\_\_\_\_ Phone : \_\_\_\_\_ Fax : \_\_\_\_\_  
Business Address: \_\_\_\_\_ City : \_\_\_\_\_ State : \_\_\_\_\_ Zip : \_\_\_\_\_