



AUTHORIZED DEALER AGREEMENT

This AGREEMENT made this _____ day of _____, between Skeleton Performance Optics LLC, hereinafter referred to as "Skeleton Eyewear", having its administrative offices located at 14580 High Street, Thornton, CO. 80602, and hereinafter referred to as "Dealer", having its offices located at (See appendix A).

BACKGROUND

A. Skeleton Eyewear manufactures and distributes high quality Eyewear Products and accessories.

B. Skeleton Eyewear and Dealer recognize that both the maintenance of quality of Skeleton products and the professionalism of the Dealer are essential to their mutual success.

C. Dealer has demonstrated to the satisfaction of Skeleton Eyewear that it has the capacity and will to sell SKELETON EYEWEAR to consumers in the manner and subject to the conditions hereafter provided, and by executing this AGREEMENT, Dealer is prepared to warrant and represent that it shall at all times during the effective period hereof continue to maintain such capacity by meeting the qualifications and conditions set forth in this AGREEMENT.

D. Dealer understands that it is critical that Skeleton Eyewear establishes and maintains a limited network of highly competent and reputable Dealers of high quality eyewear products. Dealer acknowledges that it will be to the advantage of the consumer, Dealer and Skeleton Eyewear if the products are presented in an environment where they can be displayed, demonstrated, adjusted, and explained by knowledgeable personnel.

In Consideration of the mutual covenants set forth, Skeleton Eyewear and the Dealer agree as follows:

RETAIL SALES AT AUTHORIZED LOCATION ONLY

A. Skeleton Eyewear hereby appoints the Dealer, on a non-exclusive basis, to sell and promote the retail sales of Skeleton Eyewear's products upon the terms and conditions hereinafter set forth. The Dealer hereby accepts the appointment as an independent contractor authorized to sell SKELETON EYEWEAR products.

B. Dealer shall not offer products for sale at any location other than one(s) that have been approved by Skeleton Eyewear in writing that are attached to this agreement as Appendix A. Dealer shall not sell product to any person who is in the business of selling eyewear products at retail or who Dealer otherwise has reasons to believe may offer their product for resale, without consent from Skeleton Eyewear.



OBLIGATION OF DEALER

A. Dealer and its staff shall be intimately conversant with the technical language conventional to eyewear products in general, and shall possess complete knowledge concerning SKELETON EYEWEAR products and their specifications. Dealer shall conduct appropriate sales and installation training of its personnel to ensure that such knowledge is imparted to them and shall cooperate in any product education programs that Skeleton Eyewear may establish. Dealer's sales personnel shall be familiar with information concerning SKELETON EYEWEAR products.

B. Dealer shall have on active display, at least one performing model of SKELETON EYEWEAR products. Dealer shall conduct live demonstrations for its customers as necessary.

C. Dealer shall consistently encourage the purchase of SKELETON EYEWEAR products by Dealer's customers to the best of its ability, and shall at all times represent the products fairly in comparison with competitive products of other manufacturers. If a consumer inquires about a competitive product having features and/or specifications similar to SKELETON EYEWEAR products, Dealer shall offer to describe and demonstrate the comparable SKELETON EYEWEAR products so that consumer can enjoy a full range of choice.

D. Dealer shall comply with all applicable federal, state and local laws in performing its duties hereunder and in any of its dealing with respect to Skeleton Eyewear.

E. If Dealer contemplates a sale of all or any substantial part of its business, or any retail store at an authorized location, whether by sale of stock, assets or otherwise, it shall notify Skeleton Eyewear in writing not less than forty five (45) days prior to effecting such sale.

F. Minimum stocking/display requirements: Dealer shall at all times maintain in its inventory at each of its authorized locations no fewer than one (1) model of SKELETON EYEWEAR products in active display.

G. Dealer agrees to make available to Skeleton Eyewear such statements of the Dealer's financial conditions as Skeleton Eyewear may periodically request. Skeleton Eyewear reserves the right at all times, either generally or with respect to any specific purchase order of the Dealer, to vary, change or limit the amount or duration of credit to be allowed to the Dealer.

I. Dealer agrees to pay Skeleton Eyewear a monthly service charge at the rate of 1.5% per month (18% per annum), on any unpaid balance computed from the date such indebtedness becomes past due to the date of its payment.

J. Product returns are subject to prior approval, inspection and acceptance. Dealer must contact Skeleton Eyewear's office for approval and for a return authorization number. All returns are subject to 10% restocking charge plus the cost of refurbishing, repairing and repackaging as necessary.

K. All prices for SKELETON EYEWEAR products sold to Dealer hereunder are F.O.B., Thornton Colorado. Skeleton Eyewear may change the prices of its product at any time during the term of



this AGREEMENT.

OBLIGATIONS OF SKELETON EYEWEAR

- A.** Skeleton Eyewear shall use its best efforts to maintain the high fidelity and reputation of SKELETON EYEWEAR products.
- B.** Skeleton Eyewear shall provide such dealer support as Skeleton Eyewear deems necessary or desirable through advertising, product literature, local training and other promotional programs.
- C.** Skeleton Eyewear shall endeavor to make deliveries within a reasonable time in accordance with orders accepted from Dealer.
- D.** Skeleton Eyewear retains the right to cancel any or all purchase orders accepted or to delay shipment thereof, if Dealer fails to meet payment requirements established by Skeleton Eyewear.

DURATION OF AGREEMENT/TERMINATION

A. This AGREEMENT shall remain in effect in accordance with provisions of this article. Either Dealer or Skeleton Eyewear may terminate this AGREEMENT with or without cause; provided, however, that in the event the termination is without cause, at least thirty (30) days advance written notice must be given to the other party. Termination for cause may be effected forthwith and without any advance written notice. For purpose of this AGREEMENT, "cause" shall exist under the following circumstances:

- 1. If either party breaches any provision of this AGREEMENT.
- 2. In the event that Skeleton Eyewear, in its sole discretion, determines that the Dealer is not using it's best efforts to promote the sales of SKELETON EYEWEAR products.
- 3. If any transaction shall occur whereby any major portion or all of the ownership of the Dealer shall be transferred or sold.
- 4. If the Dealer liquidates, terminates, or petitions for bankruptcy.
- 5. If the Dealer fails to meet payment obligation by sixty (60) days or more.

B. In the event of termination of this AGREEMENT by Skeleton Eyewear without cause, Skeleton Eyewear may limit shipment to Dealer after the date of it's notice, but prior to the effective date of termination, to Dealer's average monthly purchases from Skeleton Eyewear during the three (3) months prior to the date of its notice of termination.

C. Skeleton Eyewear shall have the right but not to be required to purchase any or all Skeleton Eyewear's products owned by Dealer at the effective date of termination of the AGREEMENT. Repurchase shall be consumed at the Dealer's cost for the product in question, less a 10% restocking charge and cost of refurbishing, repairing and repackaging as necessary.



MISCELLANEOUS PROVISIONS

A. The liability of Skeleton Eyewear, if any, for damages for any claims of any kind whatsoever and regardless of the legal theory with regard to any order placed by the DEALER hereunder, regardless of the delivery or non-delivery of such products, or with respect to the products covered hereby, shall not be greater than the actual purchase price of the products with respect to which such claim is made, under no circumstances shall Skeleton Eyewear be liable to the Dealer for compensation, reimbursement or damage on account of the loss of present or prospective profits, expenditures, investments or commitments, whether in the establishment, development or maintenance of business reputation or goodwill or for any other reason whatsoever, in no event shall Skeleton Eyewear be liable to the Dealer for special, incidental, or consequential damages.

E. This AGREEMENT shall not be subject to change or modification except by execution of another instrument in writing duly executed by both of the parties to this AGREEMENT.

F. Governing Law: This AGREEMENT shall be deemed to have executed in the State of Colorado and shall be construed under the laws of the State of Colorado.

INVALIDITY

A. If and any extent that any provisions of this AGREEMENT shall be determined by any legislature or court to be in whole or in part invalid or unenforceable, the AGREEMENT in its entirety shall be automatically terminated upon such determination.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT as of Date of signing,



APPENDIX "A" DEALER LOCATIONS

Since dealer authorizes sales of its products on a by location basis, only the following locations, in addition to the primary location listed above, shall be authorized to sell Skeleton Eyewear products (for more locations, please include a separate list):

Address: _____

City: _____

State/Province: _____

Country: _____

Postal Code: _____

Phone: _____

IN WITNESS WHEREOF the parties hereto have executed the Agreement Extension on Date:

DEALER:

Company Name

By: (Authorized Representative)

Title: _____

Skeleton Performance Optics LLC

By: (Authorized Representative)

Title: _____