

## **EXCLUSIVE MANUFACTURING & DISTRIBUTORSHIP AGREEMENT**

This AGREEMENT is entered into as of May 1, 2016, between **LB Design LLC** (the “LB Design”), an Arizona limited liability company having its principal place of business in Gilbert, Arizona, and **Conner Athletic Products, Inc.** dba Power Lift, an Iowa corporation having its principal place of business in Jefferson, Iowa (the “Manufacturer”), an Iowa corporation.

### **Recitals:**

A. LB Design has developed and owns the rights to certain strength equipment products it has designed and has been manufacturing, marketing and selling under the LB Design name and design logo.

B. Power Lift designs, manufactures, markets and sells certain fitness and strength training equipment, products and accessories.

C. LB Design desires to expand the market for its products by having Power Lift provide services to improve the LB Design products and by having Power Lift manufacture and distribute the LB Design products.

D. Power Lift desires to provide design services and to obtain the exclusive rights to manufacture market and distribute the LB Design products.

E. The parties have agreed on the terms for Power Lift to design, manufacture, market and distribute the LB Design products and for the payments to LB Design for its product designs.

NOW, THEREFORE, the parties agree:

1. Grant of License. LB Design grants to Power Lift on the terms and conditions in this Agreement, and under any Exhibits attached and made a part of this agreement, the following rights exclusive of all other entities and persons (including LB Design):

- a) To design or redesign the LB Design training equipment and products described in the attached Exhibit “A” to this Agreement (“the Products”);
- b) To manufacture the Products under such design Specifications as may be mutually agreed upon by LB Design and Power Lift from time to time;
- c) To promote, sell and distribute the Products worldwide (the “Territory”);
- d) To use the existing designs of the Products and all intellectual property rights associated or for such Products, including all Trademarks and Patent rights, with the sale, promotion and distribution of the Products in the Territory, including the display

of any Trademarks, and all other designs or marks which could be or that are actually later registered with the Federal Patent and Trademark Office, on Power Lift vehicles and other merchandising equipment, and on stationery, packaging and other advertising and promotional materials; and

e) To manufacture, promote, sell and distribute new products designed or created by Power Lift that Power Lift deems preferable to sell under the LB Design name; and in such case, LB Design and Power Lift shall negotiate in good faith to agree on a royalty commission percentage or flat rate amount for the sale of new products.

2. Term; Initial. This agreement and the license granted under the agreement shall be for a term of three (3) years commencing on the Effective Date, subject to earlier termination as provided below and subject to the provisions of the following paragraph providing for successive renewal terms for this Agreement.

3. Renewal Term. This agreement shall automatically renew for consecutive one-year terms unless either party provide notice of termination to the other party no later than six months prior to the end of the current term.

4. Termination Rights. Notwithstanding any other provision, Power Lift may terminate this Agreement for any reason without notice upon the end of the initial term and either party may terminate this agreement upon providing a six month notice to the other party.

5. Intellectual Property Rights. This Agreement shall not be construed to give Power Lift any vested right, title, or interest in any of the Trademarks or copyrighted material of LB Design except to the extent and in the manner, time, and places Power Lift is authorized and permitted to use the Trademarks as provided in this Agreement.

6. Sublicense by Power Lift. If agreed upon by LB Design, which agreement shall not be unreasonably withheld, Power Lift may authorize Sublicensees to perform any of Power Lift's manufacturing, packing and distribution obligations under this Agreement and grant to such Sublicensees such rights regarding the use of any trademarks or logos or the LB Design name or other LB Design intellectual property rights associated with the Products as Power Lift has been granted by this Agreement. In such case, all Sublicensees shall be bound by this agreement concerning limitations on such Trademarks and other rights.

7. Manufacturing of Products. LB Design shall provide to Power Lift all current design specifications for the Products. LB Design grants to Power Lift the right to enhance or redesign the Products using Power Lift's own knowledge and expertise in the industry, and Power Lift may manufacture, label, package and distribute the Products under the initial specifications and within the enhanced or redesigned specifications completed by Power Lift. Power Lift will maintain such raw materials and finished products inventories as it deems reasonably necessary to supply products for anticipated sales. LB Design may approve any such

enhancements or redesigned specifications, which approval shall not be unreasonably withheld from Power Lift.

8. Quality Control. LB Design and its representative may during regular business hours enter upon and examine the plants and other facilities where the Products are produced, packaged and stored, and to make any further examination reasonably necessary to properly ascertain whether the Products comply with the initial specifications or such redesigned specifications as approved by LB Design. LB Design may observe and examine all operating methods, quality control procedures, and production and inventory records, relevant to the business conducted under this Agreement within regular business hours without interruption of normal business functions.

9. Compliance with Laws. The Products produced by Power Lift shall be produced in compliance with all federal, state and local laws, regulations and ordinances pertaining to their production.

10. Sale & Distribution of Products. Power Lift shall use diligent efforts to promote the sale and distribution of the Products in the markets to which Power Lift sells and distributes its Power Lift products and such other market territories as it may deem appropriate. To achieve increased sales of the Product, for the performance of the distribution obligations, Power Lift may employ persons or engage independent contractors or Sublicensees to warehouse, sell and deliver the Products as Power Lift may determine in its sole discretion.

11. Advertising and Promotion.

a) Power Lift shall be responsible for all advertising, sales and promotional materials for the Products; provided, however, that LB Design agrees that LB Design will continue to promote the sale of the LB Design Products during trade shows and clinic demonstrations.

b) LB Design agrees to use its best efforts to promote the sale of products at such shows and clinics with such minimum time and effort as agreed upon between the parties from time to time with each party responsible for its advertising and promotion expenses. In addition,

c) LB Design agrees that it will use its best efforts to retain the current athlete endorsements and will encourage and solicit additional athlete endorsements of the Products. Power Lift and LB Design shall negotiate in good faith during the term of this agreement regarding promotional support of the Products by LB Design.

d) LB Design agrees to provide a web page link from the LB Design home page to the Power Lift home page upon request by Power Lift; and if requested by Power Lift, LB Design will consent to a web page link from the Power Lift home page to the LB Design home page for promotion of the Products. LB Design agrees to maintain its web

site for the promotion of the Products and to provide current and relevant sales and marketing information for the Products.

12. Royalty Commission. Power Lift shall pay to LB Design from time to time royalty payments equal to 15% of the “net sales” of LB Design Products sold under this Agreement during the term of the Agreement.

a) For this Agreement, Net Sales shall mean the total List Sales Price of the Products, net of returns and allowances, excluding taxes, shipping, delivery and installation charges. List Sales Price shall mean the List Price set by Power Lift for the Products sold directly to end users or through a Dealer. Dealer Sales Price shall mean the price by which the Products are offered to Dealers.

b) Attached to this Agreement is a representative listing of Products showing the “List Price”, “Dealer Price” and LB Design commission computation (with the “List Price” and “Dealer Price” being shown for illustration only since those prices may be adjusted by Power Lift during the term of this Agreement).

c) All royalties shall be earned by LB Design when the purchase price for such products is received by Power Lift. The royalties earned by LB Design under this Agreement shall be based on this paragraph for all sales of products whether sold by a Dealer or Power Lift directly to the end customer by LB Design’s promotional efforts.

d) Power Lift shall pay all earned royalties to LB Design on a quarterly basis on October 1<sup>st</sup>, January 1<sup>st</sup>, April 1<sup>st</sup> and July 1<sup>st</sup> of each calendar year during the term of this Agreement, or as otherwise agreed from time to time by the parties. Each royalty payment to LB Design shall be accompanied by sales records during the time covered by each such royalty payment.

e) All other revenue received by Power Lift from sales of the Products shall belong to Power Lift.

13. Business Records. Power Lift shall maintain accurate and complete business records regarding its production, sale and distribution of the Products. Such records shall be kept in such form as is customary in the strength and fitness equipment industry. Power Lift shall make the originals of such records (not including financial statements and records) available to LB Design or its agents during regular business hours and shall send to LB Design, at LB Design's expense, copies of any such records as LB Design may from time to time reasonably request.

14. LB Design Representations. The undersigned on behalf of LB Design and to bind himself individually and represents and warrants he is the sole owner of LB Design and that LB Design is the exclusive owner of the design and other intellectual property rights of the LB

Design Products, including all Trademarks if any, and all goodwill associated therewith, free and clear of all liens, encumbrances, security interests or rights of any other party. There is no litigation, claim or assessment pending or threatened against the undersigned contesting their exclusive ownership of all such design and intellectual property rights and Trademarks. LB Design's use of the Trademarks does not, and Power Lift's use of the Trademarks as contemplated will not, infringe upon any other person's trademarks or proprietary rights of any nature. The execution of this Agreement by LB Design and consummating the transactions contemplated does not conflict with or result in a default under or breach of (i) any agreement, indenture, mortgage, contract or instrument to which the undersigned, as the owners of LB Design, are bound or by which any of its properties or assets is subject; (ii) any order, writ, injunction, decree or judgment of any court or governmental agency applicable to LB Design or to which any of its assets is bound; or (iii) any law or regulation applicable to LB Design or by which any of its assets is bound.

15. Insurance. Power Lift shall maintain in full force and effect, for the benefit of itself and LB Design, general liability insurance coverage on its operations, including broad form vendor's coverage and product liability insurance. The insurance shall be in an amount of not less than \$500,000.00 for each accident or occurrence and which shall be satisfactory to LB Design. Upon written request of LB Design, Power Lift shall furnish LB Design with a certificate of insurance evidencing that it has such insurance coverage in force.

16. Indemnification.

a) Power Lift. Power Lift shall defend and hold LB Design harmless against and from all claims made against LB Design based upon, arising out of, or related to, (1) the operation or condition of any part of any of the Power Lift's manufacturing plants, (2) the redesign, manufacture, storage, warehousing, distribution or sale of the Products or any other products manufactured or sold by Power Lift including Power Lift's other fitness and/or strength equipment and/or accessories, (3) Power Lift's conduct of its business, (4) Power Lift's ownership or possession of property, and (5) any negligent act, misfeasance or nonfeasance by Power Lift or any of its agents, contractors, servants or employees, (6) including attorney fees and costs of suit in connection therewith; provided, however, that upon Power Lift's notice to LB Design that Power Lift has assumed the defense of any legal action or proceeding, Power Lift shall not be liable to LB Design for any legal or other expense subsequently incurred by LB Design for the defense thereof. LB Design shall provide Power Lift with prompt written notice upon receipt of any such claim and LB Design shall not settle any such claim without Power Lift's prior knowledge and consent.

b) LB Design. LB Design shall indemnify and hold Power Lift harmless against and from all claims made against Power Lift based upon, arising out of, or related to, (1) defects in the existing design of the Products furnished by LB Design to Power Lift, (2) the conduct of LB Design's business, (3) LB Design's ownership or possession of property, (4) any negligent act, misfeasance or nonfeasance by LB Design or any of its

agents, servants, or employees, (5) LB Design's breach of any of its representations, warranties or covenants made, and (6) all fees, costs and expenses, including without limitation, attorneys' fees incurred by or on behalf of Power Lift in the investigation of or defense against all the foregoing claims. However, upon notice to Power Lift that LB Design has assumed the defense of any legal action or proceeding, LB Design shall not be liable to Power Lift for any legal or other expense subsequently incurred by Power Lift for the defense thereof. Power Lift shall provide LB Design prompt notice of receipt of any such claim and Power Lift shall not settle any such claim without LB Design's prior knowledge and consent.

17. Assignment. This Agreement and Power Lift's rights and obligations hereunder shall not be transferred, assigned, encumbered, pledged or hypothecated in full or in part, either voluntarily or by operation of law or otherwise, without LB Design's prior written consent unless otherwise provided for in this Agreement. Any attempted transfer, assignment, encumbrance, pledge or hypothecation by Power Lift without LB Design's prior written consent shall be null and void and shall have the effect of immediately terminating this Agreement.

18. No Agency. Nothing in this Agreement shall be construed to create an agency relationship between Power Lift and LB Design. Power Lift is an independent contractor. Neither party shall be liable for any debts, accounts, obligations or other liabilities or torts of the other party, or its agents or employees, except as this Agreement may otherwise expressly provide.

19. Default. If Power Lift determines that LB Design has failed to perform any of its substantial obligations, Power Lift may notify LB Design in writing, specifying such failure and the section of this Agreement imposing the obligation, whereupon LB Design shall have sixty (60) days within which to remedy the failure. If LB Design fails to remedy the failure, Power Lift may give further notice to LB Design terminating this Agreement effective as of the date stated in such further notice.

20. Termination of Agreement - General Provisions. This Agreement shall terminate at the option of and upon written notice by either party (who shall not be the party regarding whom the event has occurred) effective as of the occurrence of any of the following events:

a) The insolvency of either party; the voluntary filing by or, if not dismissed within sixty (60) days, the filing against either party of a petition in bankruptcy or a petition for reorganization; any assignment by either party for the benefit of creditors; the appointment of a receiver or a trustee for either party; or placing either party's assets in the hands of a trustee or receiver; or

b) The permanent discontinuance of all of either party's business for any reason.

21. Termination of Agreement - Rights of Parties. The following shall occur upon the expiration or termination by either party of this Agreement:

a) All rights, licenses and privileges granted to Power Lift under this Agreement shall immediately cease and terminate, except as specifically preserved, extended or imposed by a provision of this Agreement;

b) Power Lift shall discontinue the use of such trademarks or marks as it used under this Agreement, and any items bearing such trademarks, except that Power Lift may sell its remaining finished product inventory of the Products for sixty (60) days.

c) Any indebtedness of either party to the other not already due shall become immediately due as of the effective date of termination of this Agreement for any reason. In no event shall either party be liable for any debts of the other party to its customers or its other creditors, except as otherwise provided in this Agreement.

22. Default; Definitions. Failure of either party to perform any of this Agreement by any of the following shall not constitute an event of default or breach of this Agreement: strikes, picket lines, boycott efforts, fires, floods, freezes, accidents, war (whether or not declared), revolution, riots, insurrections, acts of God, acts of government (including without limitation any agency or department of the United States of America), acts of the public enemy, scarcity or rationing of gasoline or other fuel or vital products, inability to obtain materials or labor, or other causes reasonably beyond the control of the defaulting party.

23. Notices. Any demand, notice, or request provided for by this Agreement shall be in writing, addressed to the party to whom notice is to be given or to whom a demand or request is to be made, and shall be made by delivery by means of which the sender obtains a receipt of delivery from the carrier. Any Notice to Power Lift provided under this Agreement shall also be given to Power Lift's attorneys at Hoyt Law Firm, P.C. 101 N Grimmell Rd, PO Box 350, Jefferson, Iowa 50129.

24. Entire Agreement. This Agreement represents the entire agreement between LB Design and Power Lift and supersedes all their prior oral and written arrangements and agreements. This Agreement may not be modified or amended, except by a further written instrument or by an amendment to this Agreement signed by each of the parties hereto.

25. Non-Waiver. Any failure by either party hereto to exercise any of its rights shall not be construed as a waiver of such rights, nor shall any such failure preclude exercise of such rights at any later time.

26. Taxes. All taxes, excises, assessments, levies, imports, duties, costs, charges, and penalties, which may be assessed, levied, demanded, or imposed by any governmental agency for this Agreement, shall be paid by the party upon which they are imposed and shall be the sole obligation of such party.

27. Heading References. Section headings are for convenience only and are not to be construed as part of this Agreement.

28. Applicable Law. This Agreement shall be governed by and construed under the laws of the State of Iowa.

**LB Design LLC**

**Conner Athletic Products, Inc.**  
dba Power Lift

---

LeCharles Bentley, Manager & Sole  
Member

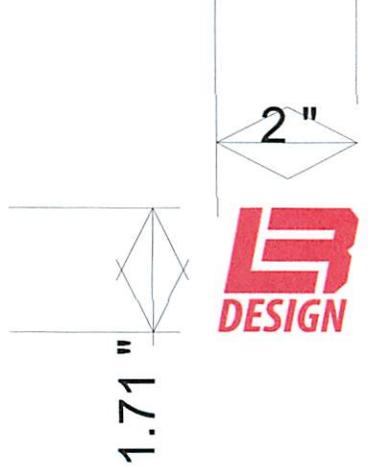
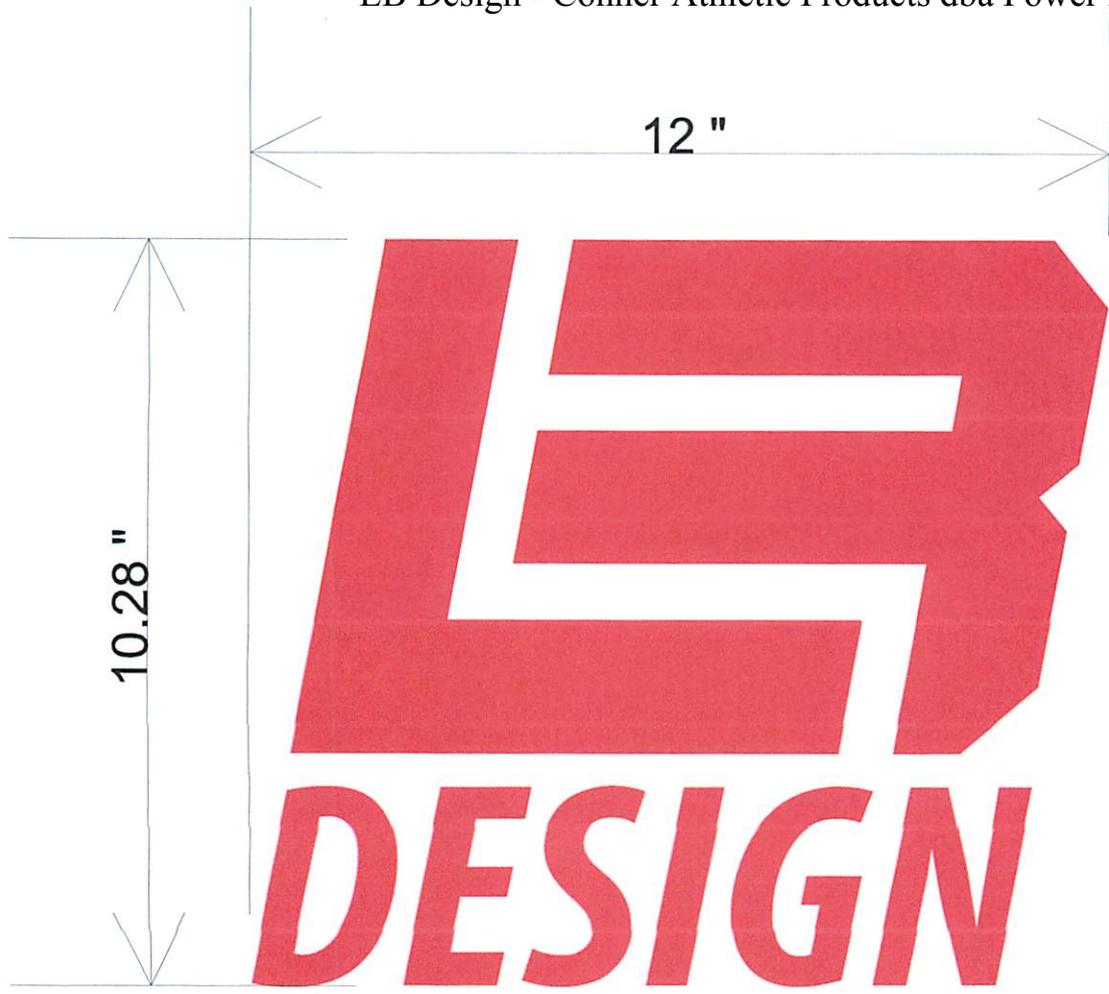
---

Jeff Conner, President

---

LeCharles Bentley, Individually

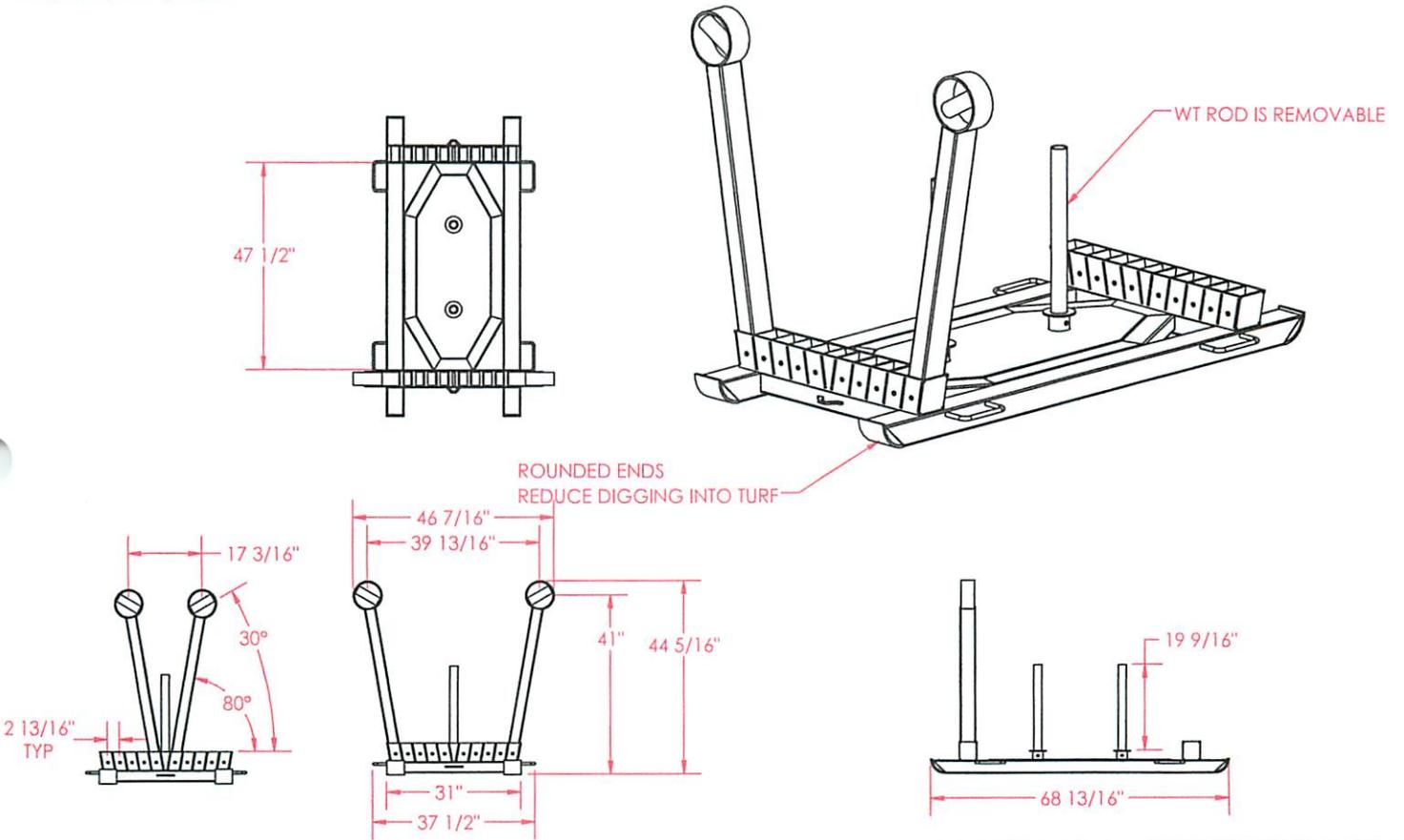
Manufacturing & Distribution Agreement  
LB Design - Conner Athletic Products dba Power Lift



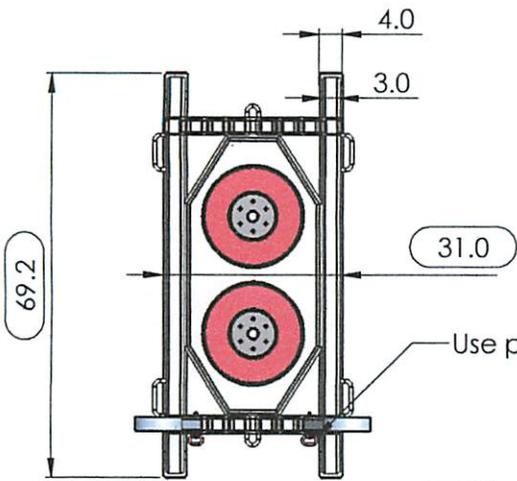
THE INFORMATION CONTAINED IN THIS DRAWING IS THE SOLE PROPERTY OF POWER LIFT ANY REPRODUCTION IN PART OR WHOLE WITHOUT THE WRITTEN PERMISSION OF POWER LIFT IS PROHIBITED

REV.	DESCRIPTION	DATE	APPROVED
A	INITIAL RELEASE	3/3/2016	LI

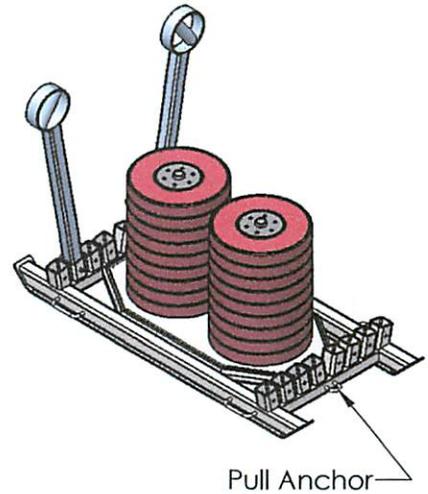
APPROX WEIGHT 325 LBS.



UNLESS OTHERWISE SPECIFIED DIMENSIONS ARE IN INCHES TOLERANCES ARE: FRACTIONS DECIMALS ANGLES $\pm 1/16"$ .XX = $\pm .02$ $\pm 1^\circ$ .XXX = $\pm .005$	<b>POWER LIFT®</b>
	PART NUMBER <b>LBPL SLED-ASSY</b>
REFERENCE CODE	PART NAME <b>ASSY,</b>
CAD GENERATED DRAWING DO NOT MANUALLY UPDATE.	SHEET 1 OF 1 REV. A SCALE 1:32 SITE A

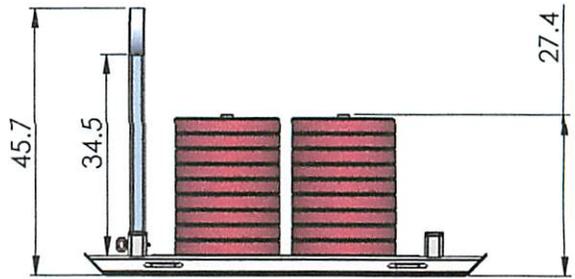
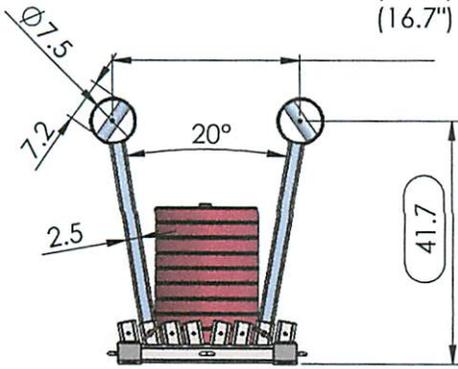


Current Sled Weight: 250-LBS  
 Plate Capacity: 720-LBS  
 Total Weight: 990-LBS



Use pull-pin for safety

(40.7")  
 32.7 Width  
 (24.7")  
 (16.7")



**PROPRIETARY AND CONFIDENTIAL**

THIS DOCUMENT CONTAINS CONFIDENTIAL AND TRADE SECRET INFORMATION. REPRODUCTION, DISCLOSURE OR USE IN ANY WAY WITHOUT THE PRIOR WRITTEN AUTHORIZATION OF THE OWNER IS STRICTLY FORBIDDEN. ALL RIGHTS RESERVED.

**MATERIAL:**

UNITS: inch TOLERANCES UNLESS OTHERWISE SPECIFIED

1 PL ± .1 3 PL ± .005  
 2 PL ± .05 4 PL ± .0005

**NOTES:**

ANGULAR TOL ± 1°  
 EDGE BREAK OUT: .02-.04  
 EDGE BREAK IN: .00-.03

**ENGINEER**

D. Jones

**DRAWN**

THIRD ANGLE PROJECTION

**DATE**

10/10/2015

**DATE**

10/10/2015

SCALE: 1:25

SH 1 OF 3

**AVUS DESIGN & ENGINEERING**

**TITLE:**

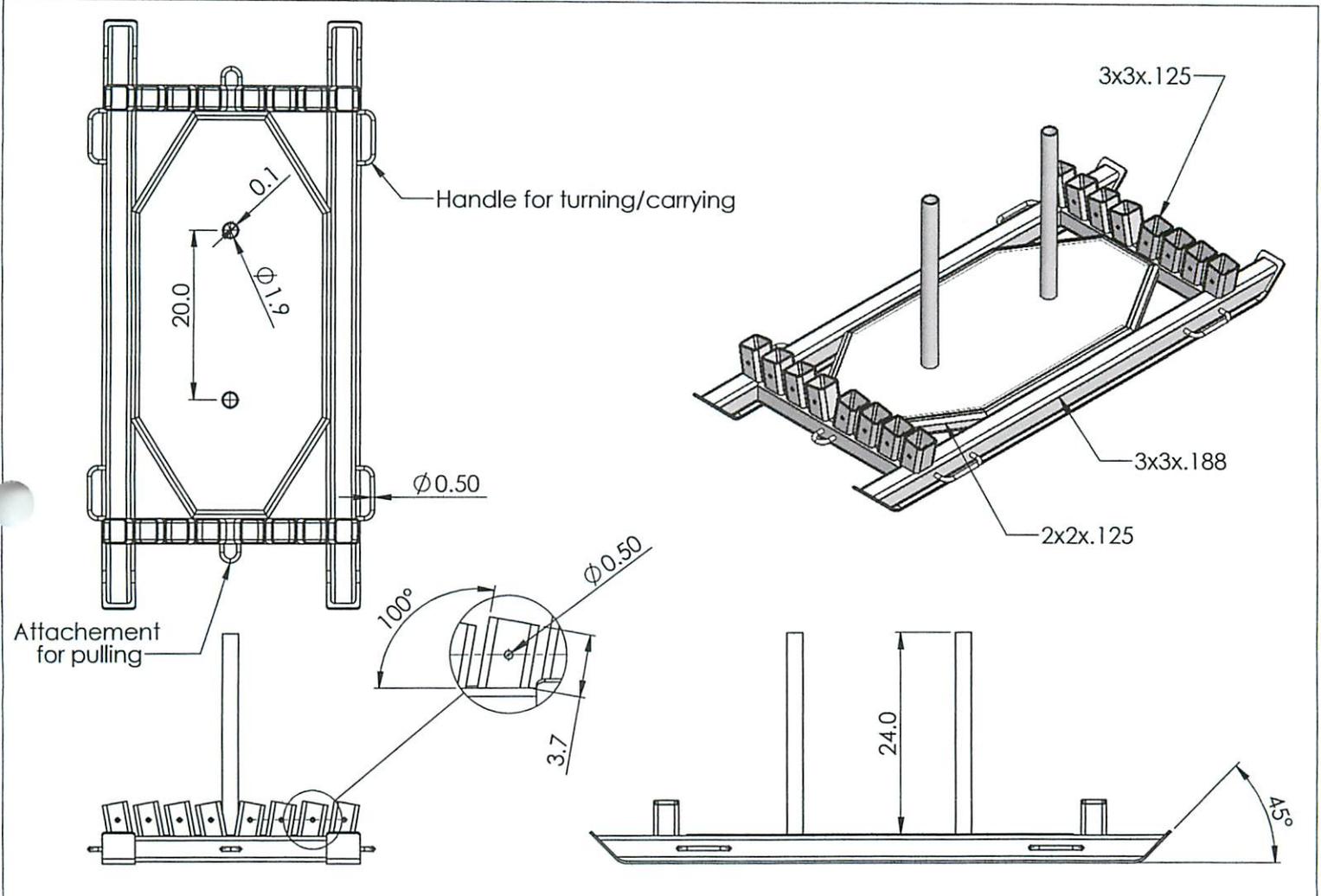
LCB-Sled Assy

SIZE A

ITEM:

DRAWING NUMBER

REV



 <p><b>PROPRIETARY AND CONFIDENTIAL</b> THIS DOCUMENT CONTAINS CONFIDENTIAL AND TRADE SECRET INFORMATION. REPRODUCTION, DISCLOSURE OR USE IN ANY WAY WITHOUT THE PRIOR WRITTEN AUTHORIZATION OF THE OWNER IS STRICTLY FORBIDDEN. ALL RIGHTS RESERVED.</p>	MATERIAL:		INTERPRET PER: ASME Y14.5M-1994	ENGINEER D. Jones	DATE 10/10/2015	AVUS DESIGN & ENGINEERING			
	UNITS: inch	TOLERANCES UNLESS OTHERWISE SPECIFIED	1 PL $\pm .1$ 2 PL $\pm .05$	3 PL $\pm .005$ 4 PL $\pm .0005$	DRAWN	DATE 10/10/2015	TITLE: LCB-Sled Assy		
	NOTES:		ANGULAR TOL $\pm 1^\circ$ EDGE BREAK OUT: .02-.04 EDGE BREAK IN: .00-.03		THIRD ANGLE PROJECTION	SCALE: 1:15	SIZE A	DRAWING NUMBER	REV
Z:\Dropbox\Avus CAD\LeCHARLES\Sled\						SH 2 OF 3	ITEM:		

**Exclusive Manufacturing and Distribution Agreement**  
**LB Design LLC**  
**Conner Athletic Products, Inc. dba Power Lift**

**Example of Pricing and Royalty Commission**

<b>Price/Share Info</b>	<b>Dollars</b>	<b>% of List Price</b>
List Price	\$ 1,699	100%
Sales Margin	\$ 340	20%
Dealer Price	\$ 1,359	80%
Cost	\$ 849	50%
LB Design Commission/share	\$ 255	15%
Power Lift share	\$ 255	15%